

ON THE
DEBT OF THE NATION,
COMPARED WITH
ITS REVENUE;

AND THE
IMPOSSIBILITY OF CARRYING
ON THE WAR

WITHOUT
PUBLIC OECONOMY.

L O N D O N :

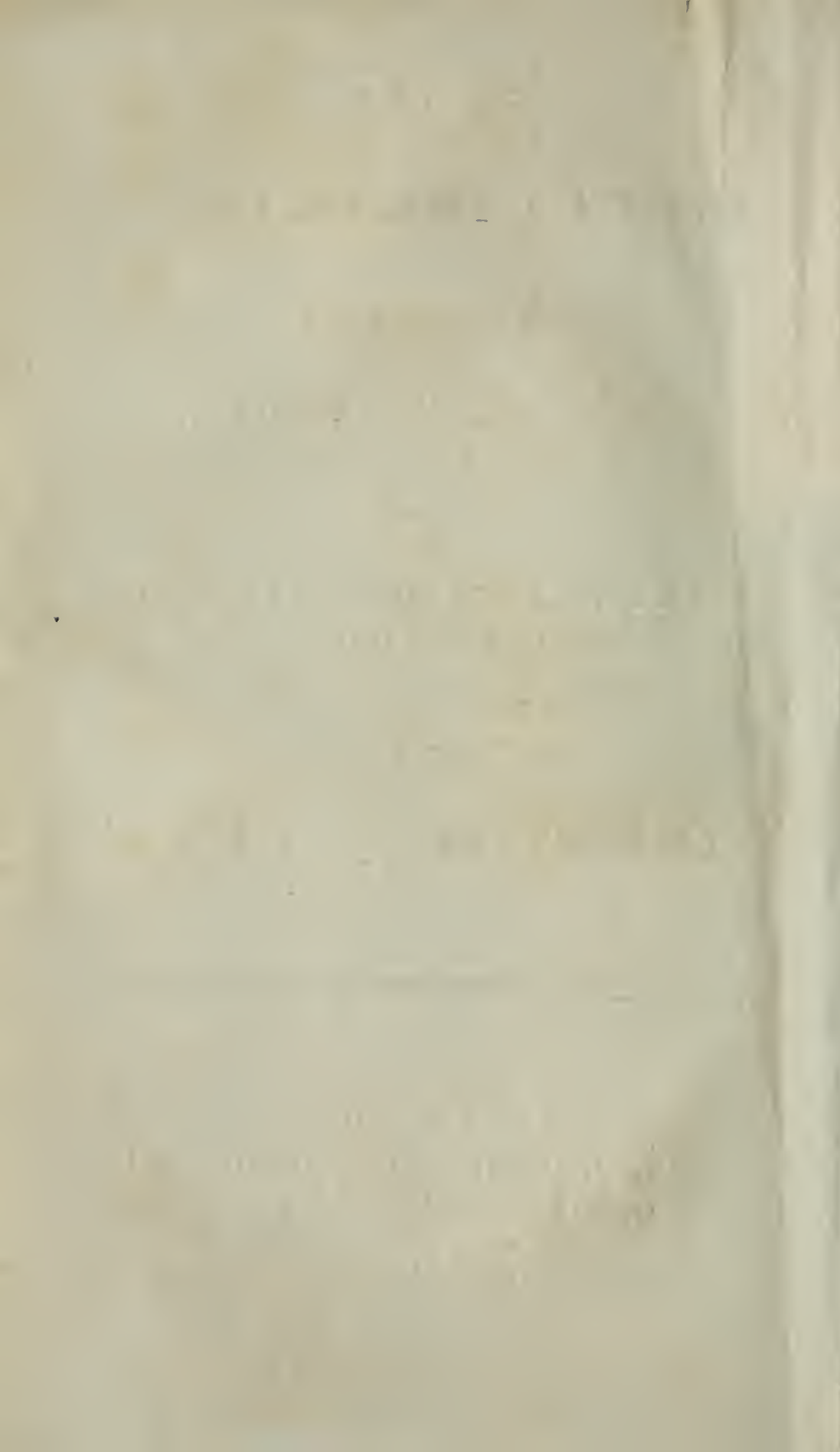
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W. Digby

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E R R A T A.

Page 57, in the note, second line from the bottom; for *and* read 9.

Page 59, line 9, for *people's* read *public*.

INTRODUCTION.

THE design of these sheets is, to frame a clear and distinct account of the different branches of the national revenues and resources, the modes of collecting or procuring them; and the causes on which the revenues depend for their increase or decline; and thereby enable the public to judge of the prospect there is for their continuance at the present annual amount; under the circumstances in which the nation and its trade now stand. I shall likewise make some remarks on the mode of issuing the revenues from the public treasury, and on the expenditures for the navy and army: So that individuals, of whatever complexion, or wherever led by reflection, or prejudice in political opinions, may discover the resources and condition of their country, and be able to determine, whether any real grounds exist to alarm us for our opulence

and safety. And if they do, from what errors and mistakes in our conduct, the dangers and distresses, which hang over us, have arose.

The exchequer of a great nation can never be conducted upon the same narrow principles of œconomy, whereby the tradesman necessarily regulates his counter. But it should nevertheless be remembered by those entrusted with the public purse, that neither the safety or protection of the empire, nor the dignity of the crown, or the splendor of majesty, in the least depend on a careless profusion, a lavish expenditure of the national wealth.

The great executive officers of the state, who are appointed by the Sovereign, and removeable at his pleasure, being entrusted with the disposition of the revenue for the several uses of government, for the King's household, and all the other branches of the civil list, are the persons responsible to the people for the expenditure of the money belonging to the public.

A specific sum having been granted to support the civil list, the Parliament, I apprehend, would be considered as acting disrespectfully towards their Sovereign, to examine into, or in any wise interfere with the disposal of that sum ; so long as his Majesty's servants were attentive to make it provide for the services for which it was given.

given. But if the money shall be rendered insufficient to answer these uses, either by neglect or inattention, or by being perverted to other purposes, the civil list expenditure then most undoubtedly becomes an object of parliamentary enquiry.

However, the collection of the whole of the revenue, and the expenditure of those sums granted for the navy and military establishments, and other charges of government, not included in the civil list, these should be truly and clearly accounted for to the people, from year to year : for it has been the invariable practice of Parliament, to grant the money of their constituents for expressed purposes, and to be applied to no other uses whatever. To grant the people's money on any looser terms, might be dangerous to a great degree : for if the use to which the money is to be applied shall not be expressed, how are the people to judge if it shall be wise to give ? or, after having given, how are they to learn if it has been faithfully applied ?

No minister has yet been so wicked, and at the same time bold enough to assert, he was not accountable, for the expenditure of the public purse, to those who gave it. Therefore, whatever evasive reasons may be used at any time to delay the investigation of the national accounts, and to satisfy the unsuspicious temper of the people ; the great executive servants of the Crown can assign

no just substantial motives to exculpate their want of duty to the public, whenever they shall have neglected to arrange their accounts with sufficient method and perspicuity, to shew plainly to the people, in the next session, if the money voted in the former had been applied to the specific articles of expence for which it had been granted.

The people granting money for particular uses, they had power to withhold, and afterwards to be denied an explanation of the expenditure, would be making a mere mockery of the rights of the subject: because their money might, in such case, as easily be applied by bad ministers in pursuit of false glory, or to undermine the constitution; as, under wise and honest ministers, to the protection and prosperity of the empire, and the security of the private rights of the subject.

Therefore a clear arrangement of the public accounts, as shall shew the expenditure of the revenues, should be annually laid before Parliament; that the Commons might be able to satisfy the people, whether the grants of the preceding session had been faithfully applied to those specific uses, for which the money had been asked and given.

I must here observe, that such an account is the more necessary, since Ministers have fallen into a practice of running the nation in debt by their own authority, without the

warrant of Parliament; I mean, in the articles of the navy and army extraordinaries.

Whereas the faithful application of the people's money, taking care to incur no debts but what they shall legally be authorized to contract, can only justify the servants of the Crown, entrusted with the national purse: and there seems to lay the great constitutional ground, the Ministers of this country ought always to tread on. How then can those be justified, who, after having repeatedly framed estimates for the succeeding year, at the close of the former, shall have been so inattentive to the nature of the service, as to suffer, as repeatedly, the amount of the estimates, at the end of each respective year, to have been several millions short of the actual expence? This assertion, the extraordinaries for the army and navy will confirm; for they have been swelled to an enormous amount in the present, far beyond the same unjustifiable mode of proceeding in the former war. Such conduct on the part of the Ministers, is in fact running the public in debt without legal authority; making the custom of fixing bounds to votes of credit a ridiculous ceremony.

The extraordinaries for the army, at least, were more excuseable in the former, than in the present war; because the difficulty of accounting, and of controul, became much greater from the Hanoverian chancery, and
a foreign

a foreign Commander in Chief, in Germany : nevertheless, the unauthorized expences, under the head of army extraordinaries, have exceeded, in the present, those of the preceding war, beyond all comparison. The navy extraordinaries have been swelled in a great degree, to the present very extensive and unprecedented amount, from no regular provision having been made, through this war, for the army transport, and victualling services ; which, in the former, were regularly provided for in the votes, at the end of each year ; but during this, have lain involved in the navy debt : thereby throwing into the vortex of the navy (always a favourite expence, because so essential to the public safety) a charge that Ministers might perhaps wish to lessen or conceal, for fear of alarming the nation by its amount.

Annual estimates, so very inadequate to the expences sure to be incurred from such distant warfare on land, can only arise either from ignorance or neglect in the official departments of government ; or else be done to prevent the public from being sensible of the enormity of the expence, before they stood committed for the discharge ; lest reflection might have led the nation to repent too soon of their concurrence in a measure, sure, if it failed, to reduce the strength, and be destructive of the commerce, of Great Britain.

Without

Without the representatives of the people shall be made acquainted with the probable extent of the year's expence, how can Parliament be enabled, from time to time, to judge if the pursuit deserves the charge likely to be incurred to support it? which the power to withhold the supplies, gives them, in fact, a decided right to determine on.

Hence it is evident, that if the representatives of the people shall permit such enormous debts, contracted in so unconstitutional a manner, to pass unreprieved; and remain satisfied with a summary account of the expenditure of the grants and extraordinaries of the former year, without calling for proofs or documents, to remove such doubts and misapprehensions as may be started in the House, by any of its Members; but, on the contrary, rather negative the measure that would tend to inform and elucidate:—I say, if a majority of the Commons were to proceed, on any occasion, in this manner, such majority must be considered as acting contrary to the duties of their trust, and furnish strong grounds for suspicion, that some undue influence had operated on their minds. Therefore, if the Commons shall at any time become so subservient to the Ministers, as to vote fresh supplies, relying on the general assertion, unaccompanied with any clear, satisfactory
accounts,

accounts, that all the former grants were expended, and still further debts contracted; the people would be fully justified to call on their representatives, to give them an account of the expenditure of the former grants, and likewise of any extraordinary debts incurred without their consent or knowledge, before they voted fresh supplies.

If, from corruption, or other improper motive, the representatives of the people should be induced to treat so just and lawful a requisition with contempt, the only remedy would then lay in a calm, but firm address from the subject to the Sovereign, praying his Majesty will graciously please to dissolve an assembly, who shall have violated their trust, and deceived both him and his people.

I apprehend, by the laws and constitution of this country, the executive power to be lodged solely in the Crown, and that neither the people or their representatives have a voice in conducting it. And I apprehend also, that the responsibility lays with those officers his Majesty shall, in his wisdom, call to his councils, and entrust with the executive departments of the state.

But, as no material operations can be carried into effect without supplies of money; and as those supplies are free and voluntary gifts from the people, given through their representatives,

representatives, for the common benefit; the withholding such supplies must immediately stop any measures of the executive power, that should appear liable, in their consequences, to be hurtful to the nation. Therefore the particular purposes are always stated in the estimates, and declared in the votes, for which money has from time to time been granted.

These circumstances surely make it incumbent on the Commons, to be informed, from their own enquiries and researches, whether the money has been faithfully applied to the uses for which it had been given. And it is likewise the duty of the Commons, to take care that no expences are ever incurred by the servants of the Crown, to any considerable amount, without their sanction having been first obtained.

If ever national œconomy was necessary, it must be at such an alarming crisis as the present, when we are hastily descending from our towering height; not, as some have argued, to sit down safe and contented in a narrower circle; but to find ourselves, in that narrower circle, encompassed with numerous distresses, weighed down by a pressure of debt, having our ancestors', as well as our own, to provide for, which former mismanagement has prevented from be-

ing reduced ; and our present folly and imprudence is enlarging—at a time when our foreign commerce, and its carriage, the sources of all our wealth, are failing ; sources to which we owe that maritime strength, whereby we have long resisted the most formidable combinations, and held the lead upon the ocean. However, under these, or worse circumstances, that debt, let me remind the landholders, must have some faith and regard shewn to it, or our national credit will be gone for ever.

My countrymen, we ought to remember, a period will arrive, when this great debt, if we continue thus to increase it, can no longer be transferred to posterity. And it behoves us to take care, that we are not the generation to receive the blow.

In order to investigate, in a clear and comprehensive manner, the public revenue, its operations and effects, it becomes necessary to proceed with caution and candour to the enquiry : tracing the rise and progress of our great national debt, and the supplies reserved, from time to time, for its interest and reduction ; and what revenues have remained, and are likely to remain in future, for the exigencies of the state ; and on what resources those revenues depend. Searching likewise into the waste, neglect, or mismanagement that may prevail, either
in

in the collection or expenditure of the public revenue; what undue influence may be eradicated, which has gathered round the executive power, from time and accidental circumstances; arising out of the vast number of dependents upon government, from appointments annexed to *levies, debts, distributions, and obsolete establishments*: so that every person may have sufficient materials to be enabled to draw conclusions, as to future consequences; and to consider whether any material reform might take place, consistent with the *dignity and character of a great nation*. Thus circumstanced, with truth to guide men's judgments, they would seldom be found to differ in opinions. It is the artful perversion of truth, that leads men to draw false conclusions; and produces those various sentiments, formed according to the medium of error through which they have been drawn.

The revenues arise out of customs, and various articles of excise, with fundry inland duties, all of which are made perpetual; and likewise from the land-tax, and the excise on malt, which are voted only from year to year.

The application of these revenues is to be found in the interest paid on the public loans; in the discharge of the civil list expences; and of those incurred for the navy,

the army, the ordnance, and their dependent branches; and in those contingent expences, conducted at the treasury board, under the heads of contracts and agencies of various kinds.

C H A P. I.

ON THE NATIONAL DEBT.

I SHALL, in the first place, take a review of the public debts, from their origin to the present day : which debts, for the reduction of the capital, depend solely on the surplus of the revenues, or annual income, after the peace establishment shall have been provided for.

The debt commenced in the reign of King William ; the annual income being insufficient to support the expence of the wars in which the nation were then involved ; the Commons, therefore, to avoid oppressive levies, borrowed from individuals the sum wanted to compleat the year's expences, beyond what the annual taxes could supply. In order to obtain these loans, the faith of Parliament became pledged for the interest agreed on between the state and the lender ; and certain duties, or taxes, were mortgaged for that purpose. These loans were made either irredeemable, with an interest proportioned to the lives or term ; or else redeemable, and the interest not to cease till the principal was repaid ; which repayment

ment was only at the option of the legislature. The lender not having it in his power to reclaim his principal, constitutes the only difference between the public loans, and those made by individuals with each other.

This system of finance, or method of raising extraordinary supplies in time of war, has been invariably practised, under the different administrations, since the close of the last century; whenever more money has been wanted for the necessities of the state, than the annual amount of taxes would supply. In the reign of George I. the Ministers and Parliament, alarmed at the growing extent of the national debt during the two former reigns, the better to provide for its future reduction, to strengthen public credit, and to secure the confidence of monied men against future emergencies, established the sinking fund; which fund was to consist of the surplusses arising from the duties or taxes mortgaged, from time to time, to pay the interest on different loans; therefore, when any surplus arose from among these specific branches mortgaged, either by reduction of the interest, the expiration of the term for which it was appropriated, or by an increase of the branch of merchandize or consumption out of which the duty or tax originated; these several surplusses were directed by the legislature to be thrown into one aggregate fund,

and, in order to be yearly applied towards the discharge of the redeemable part of the debt: when the exigencies of government did not make it necessary for Parliament to appropriate the amount of the sinking fund to answer the current expence of the year.

Both advantages and disadvantages will be found to result from the present system of finance, viewed in a national light; that is, as it may operate, in any degree, to affect either the commerce, or the constitution of our country.

By the advantages arising from this system of finance, the state has been enabled to procure much larger sums within the year, in times of war, than could have been obtained, without great oppressions on the people, through any tax, aid, or subsidy; because the interest, which is all that is settled by Parliament to be taken from the pocket of the subject, is not more than a seventeenth or twentieth part of the sum wanted for the national exigencies of the year; which sum, by these means, is voluntarily lent by individuals to the state, the faith of Parliament being only pledged for the interest of the money borrowed.

From the funds established by these debts, an immediate interest became at all times attainable for the superfluous wealth of the kingdom; whereby hoarding of money no longer prevails, even with the most timid;
and

and the miser is induced to bring his wealth into circulation, and, though useless to himself, makes it of service to society, without usury or extortion.

The funds have furnished an easy exchange for property : the bank, established upon this system, introduced the circulation of paper ; and, by the safety and security of its notes, procured by degrees a credit, which extended to every corner of the kingdom ; affording thereby great assistance to the inland trade, and to commerce in general ; by the substitutes afforded for the barter and exchange of merchandize of all sorts.

The bank, whose credit, from its situation and engagements, is involved in the credit of the state, will, I apprehend, preserve the present confidence given to its paper, so long as the national debt shall be confined within proportional bounds to the influx of wealth, annually realized through our export trade. When any difficulties or embarrassments arise with respect to the interest of the debt, the bank will in some degree feel the blow.

Government also have derived additional strength and security from this debt, by individuals becoming more immediately interested in its support.

On the other hand, the disadvantages which have arose from this system of finance are considerable, and call for much

care and attention on the part of our representatives, to prevent dangerous consequences arising to the constitution.

For the debt, created by this system of finance, has furnished the executive power with that destructive weapon, *indirect influence*, through the appointments to offices of collection, and of the several arrangements for the management of that part of the revenue appropriated to pay the interest of the debt; of which the Minister becomes the acting trustee, and the sole channel to favour and indulgence in the distribution of every new loan. This system, in order to provide, from time to time, for the increasing debt, has created taxes, and burthens upon commerce, not to be removed or reduced, without wounding the faith of Parliament. It has accustomed the nation to be less alarmed at the amount of the sum raised within the year; and consequently less concerned about the expenditure; because the public, at the making of the bargain for a loan, feel only the weight of the interest, which has frequently been not more than a twentieth part of the sum raised; so that the burthen may, in great measure, be said to have been transferred from time to time to the shoulders of posterity.

These circumstances too have contributed to make the gentlemen of landed property more indifferent of the appropriation of the

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sinking

sinking fund, from year to year; preferring the current expences, regardless either of the object or amount, to the reduction of the debt, if it saved a shilling in the pound on the land-tax. Besides, the sinking fund being once established, the Minister could more easily obtain from Parliament the application of it to any favourite purpose, without too close a scrutiny into his views, than the attainment of an equal sum, for which no provision had been made.

These are doubtless alarming circumstances, being liable to work much evil to the constitution in the hands of bad Ministers; having a natural tendency to feed corruption. But, at the same time, let us remember, that these evils cannot operate to any dangerous extent, except through the supineness and treachery of our representatives. And a diligent, virtuous exertion on the part of our present House of Commons, might soon correct those mischiefs, which any former Parliaments may have overlooked, connived at, or encouraged.

At the end of King William's reign, the public debt amounted to rather more than six millions and a half. Of this sum, six hundred thousand pounds and upwards had been borrowed in the reign of Charles II. The loans in William's reign were made at an interest of eight or nine *per cent. per annum*, owing to the scarcity of money; which

which arose from the infancy of our foreign commerce, compared with its state about fifty or sixty years afterwards. For though the act of navigation, made in the reign of Charles II. so well calculated to promote foreign commerce, was gathering strength, yet at that time our trade had been carried to no great extent.

In December 1714, at the end of Queen Ann's reign, about thirteen years from the first period, the national debt came to forty-eight millions and a half; and the interest paid on it yearly came to two millions nine hundred and thirty-nine thousand pounds. Of the forty-eight millions and a half, three millions eight hundred thousand pounds were the debts of the former reigns; forty-one millions and a half had been really borrowed in Queen Ann's reign; and the remainder of the debt, amounting to three millions two hundred thousand pounds, arose from compound interest on some exchequer bills, converted into principal; and a nominal capital of twenty-five *per cent.* engrafted on the actual loans of 1711 and 1714.

Expensive as Queen Ann's wars have been generally considered, money was obtained at a lower interest, than in the former reign. For commerce had brought an addition of wealth into the kingdom since King William's time; and thereby extended circula-

tion ; which had likewise been assisted by the security given to bank paper.

In the years 1719 and 1720, three millions were added to that portion of the redeemable debt, engrafted into the South-Sea Company's fund, in return for the Company's buying up a considerable part of the irredeemable annuities, in order to make them redeemable ; and by this addition to the capital, as it stood in December 1714, the amount of the debt came to fifty-one millions and a half.

In the year 1727, at the close of George the First's reign, the capital of the debt amounted to * fifty millions seven hundred thousand pounds ; in which were included six millions two hundred thousand pounds given in the terms of some of the loans, being a nominal capital, and to be paid only on redemption. The annual interest, including the irredeemable annuities, came at this period to two millions three hundred and eighty thousand pounds ; so that, in the space of fifteen or sixteen years, the principal of the debt had been reduced near one million, and the annual interest paid on it five hundred and fifty-eight thousand pounds †.

In

* Reckoning in the unfunded navy and victualling debts, to the amount of one million seven hundred and thirty-seven thousand pounds.

† This reduction of interest arose from three thousand

In the year 1739, the debt owing by the state to individuals, amounted to * forty-five millions three hundred and thirty thousand pounds, reckoning in the six millions two hundred thousand pounds of nominal capital, mentioned to have been given in the terms of some of the loans. And the interest at the same time came to one million nine hundred and sixty thousand pounds. 45,330

Hence it appears, that in the space of thirteen years from 1727, the principal of the debt became reduced near five millions and a half; and the annual interest † four hundred and twenty thousand pounds. 1,260

The year 1739 was just before the commencement of the first war in George the Second's reign. In four years from the close of that war, in December 1753, the

and pounds life annuities fallen in; from a considerable part of the long and short annuities being made redeemable, with an addition of three millions of capital, in return for lowering the interest paid on the annuities. The remainder of the five hundred and fifty-eight thousand pounds arose from the fall of interest, by the increase of money in the kingdom.

* Including the unprovided navy debt, to the amount of one million three hundred thousand pounds.

† The reduction in the interest paid on the national debt, in the course of thirteen years, arose from between three and four thousand pounds life annuities having fell in; from the payment of a part of the capital; and from the fall of interest, by the increase of money within the kingdom.

national

national debt amounted to * seventy-three millions six hundred and eighty thousand pounds. Of this sum, six millions two hundred thousand pounds, mentioned in the former statements, and one million, added to the loans in 1747 and 1748, were nominal capital. The interest of this debt, at the end of 1753, came to two millions six hundred and seventy thousand pounds a year : and the statements in the margin shew, that in four years from the end of the war, the capital of the debt had been decreased one million and a half ; and the interest se-

* Debt the end of 1753,	—	—	£. 73,680,000
Paid off from 1749 to 1753, at 4 per cent.	—	—	1,200,000
D°, at 3 per cent.	—	—	400,000
Debt at the end of the war,	—	—	£. 75,280,000
Interest paid the end of 1753,	—	—	£. 2,670,000
Annuities fallen in since 1739,	—	—	29,000
Capital paid off, at 4 per cent.	—	—	48,000
D°, at 3½ per cent.	—	—	14,000
			£. 2,761,000
Deduct interest 1739,	—	—	1,961,000
Interest increased by the war,	—	—	£. 800,000
Capital of the debt in 1749,	—	—	£. 75,280,000
Capital of d° in 1739,	—	—	45,330,000
Debt incurred by the war begun in 1740,	—	—	£. 29,950,000

venty thousand pounds a year. And they also shew, that the war had added thirty millions, including a million of nominal capital, to the former debt; and that, from the reduction in the value of money, from the increase of commerce, and a few life annuities falling in, the interest became, at the end of the war, increased only eight hundred thousand pounds beyond its amount in 1739.

The great increase of our export commerce had brought such an influx of wealth into the kingdom by 1753, that the interest paid on a debt of near * seventy-four millions came to two hundred and sixty-nine thousand pounds less, than the interest paid, in 1714, on a debt not quite fifty-one millions sterling. And in which debt were included the annuities raised by King William, and the bankers' debt contracted by Charles II.

At the end of 1763, after the close of the war, the national debt came to one hundred and thirty-seven millions †; being the amount of the redeemable capital; the unfunded

* Interest paid in 1714,	—	£. 2,939,000
Interest paid in 1753,	—	2,670,000
		<hr/>
		£. 269,000
		<hr/>

† Amount of the funded debt, December 1763, including the civil list million, raised in 1726, and the

funded part of the debt, reckoned into the account. In this debt were included of nominal capital, seven millions two hundred thousand pounds, granted prior to 1753; and one million two hundred thousand pounds, given to the loans of 1759 and 1760.

The

three million five hundred thousand pounds raised in 1763.

	<i>Principal.</i>	<i>Interest.</i>
Funded debt, — — —	£. 125,081,000	4,042,000
Debts contracted by the war, being for navy, victualling, and ordnance bills, to December 1762, and charged on the sinking fund, —	3,483,000	139,000
Debts charged on the surplus of 1764, — —	1,800,000	— —
Debts to be paid off or funded, left by the war, —	6,857,000	— —
The interest estimated, — —	— —	163,000
Irredeemable interest, —	— —	484,000
Total, — — —	£. 137,221,000	4,828,000
Charge of management, — —	— —	77,000

Amount of the public debts, funded and unfunded, at the end of 1754, the one million charged on salt duties excepted, which

	<i>Principal.</i>	<i>Interest.</i>
will be cleared by 1757, — —	£. 72,148,000	2,442,000
Irredeemable annuities, — —	— —	212,000
Capital added the end of 1763, by the war, —	£. 65,073,000	2,174,000

Deduct

The annual interest upon this debt of one hundred and thirty-seven millions, came to four millions eight hundred thousand pounds, exclusive of the charge of management: so that the war had increased the public debts sixty-five millions; near sixty-four millions of which had been borrowed of individuals. And the interest the nation had annually to pay for this sum, amounted to two millions four hundred and seventy thousand pounds.

Considerable sums of the money thus borrowed, were sent out of the kingdom during the war, and expended in support of the army in Germany. The expence, however, was not thrown away, as the objects of the war had in great measure been an-

	<i>Principal.</i>	<i>Interest.</i>
Brought over, —	£. 65,073,000	2,174,000
Deduct the nominal capital, added to the loans of 1759 and 1760, —	1,230,000	— —
	<hr/>	
The money actually borrowed of individuals to support the war.	£. 63,843,000	— —
Irredeemable interest, subsisting in 1754, since fallen in, — — —	—	8,000
Interest reduced in 1755 and 1757, —	—	291,000
		<hr/>
Being the amount of the interest paid by the public, in 1763, for the £. 63,870,000 borrowed to support the war.	£. 2,473,000	

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swered ; though perhaps they might have been better secured, had the peace been not so hastily concluded. The objects were—to increase the nurseries for seamen—to strengthen the navy—and improve the commercial interests of our country.

The increase of our export trade, of the vend of our manufactures, and the further encouragement given to the act of navigation, from the effects of that well-directed war, have contributed to draw so much wealth into the kingdom, that, under all the additional debt incurred, government were enabled, after the peace, to fund at three *per cent.* what they could not discharge.

In proof of this assertion, at Midsummer 1775, just preceding the defection of the American colonies, the debt, which in 1763 amounted to one hundred and thirty-seven * millions, had been reduced to one hundred and twenty-six millions ; and wherein three millions of unfunded debt were included, consisting of navy and exchequer bills, part of which had been issued to prepare for the present war.

The interest of the debt, the end of 1763,

* Redeemable debts the end of 1763,	£.	137,221,000
D ^o — — June 1775,		126,054,000
Capital paid off,	— —	<u>£. 11,167,000</u>

came

came to four millions eight hundred and thirty thousand * pounds; and at Midsummer 1775, to four millions four hundred and forty thousand pounds; making a saving of three hundred and ninety thousand pounds in the amount of interest on the national debts.

And I cannot omit observing, that in the twelve years from 1763 to 1775, the peace establishments, voted annually for the navy and army, were to a far higher amount than they had been in any former period of peace between England and the rest of Europe. For the sums voted in the space of twelve years, for the navy and army, ex-

* Interest the end of 1763, paid on the			
redeemable capital,	—	—	£. 4,344,000
Irredeemable interest,	—	—	484,000
			<hr/>

Total of interest paid in 1763, exclusive			
of the charge of management,	—	—	£. 4,828,000
			<hr/>

Redeemable interest paid June 1775,	—	—	£. 3,973,000
Irredeemable interest,	—	—	467,000
			<hr/>

Total of interest paid, exclusive of the			
charge of management,	—	—	£. 4,440,000
			<hr/>

The amount of the reduced interest, £. 388,000 arising from seventeen thousand pounds life annuities fallen in, and the discharge of a part of the capital of the debt.

In 1781 and 1782, a further saving of interest, to the amount of two hundred and twelve thousand pounds, takes place, by the reduction of *four per cents.* to *three.*

ceeded the peace establishment for the six years from 1749 to 1755, upon the general average for each year, rather more than one million a year ; which made an excess for the establishments, during the twelve years from 1763 to 1775, of fourteen millions *.

And

* Excess in the navy expence for each year, £. 750,000
Excess in the army expence for each year, 420,000,

Increased annual expence, — £. 1,170,000

Equal, for the twelve years, to — £. 14,040,000

I should be sorry, if the outward difference in these statements of the national debt, from those of Dr. Price, should be construed, upon a cursory view, as tending to contradict his representations upon that head ; because I have no ground for any such step ; besides, I wish to acknowledge my obligations to the Doctor, and some others, for the information received from their publications. The difference, in fact, arises merely from the modes of arrangement, in order to answer the different objects each may have had in view. The Doctor's principal object seems to have been, to shew the idle extravagance that had from time to time been practised, in raising the public loans ; and which must ever be the case, when a loan becomes engrafted into a fund considerably below *par* : because that plenty of money, which only can enable the Parliament to discharge the debt, lifting the fund to *par*, or near it, will often oblige the nation, besides paying an annual interest for it till redeemed, to discharge the loan of sixty or seventy pounds, with one hundred pounds : and when an irredeemable interest or annuity has been annexed to a loan at the time of raising it, such annuity becoming afterwards

And unless the ships of war had been in better condition, and the warehouses much fuller of naval stores, than they were, when the present war broke out ; I should conceive, the fourteen millions increased expence, for the peace establishment, in the twelve years, or the navy part at least, amounting to nine millions, would have been more usefully bestowed, if the money had been applied to the further reduction of the public debts.

However, for the nation to be able, during those twelve years, to provide for an increased establishment, to such a large amount as fourteen millions ; and pay off besides, eleven millions of the debt incurred

afterwards incorporated into a separate fund, and bearing a price in the market, unconnected with the loan that produced it ; in holding up to view the extravagance of the bargain, it is but fair and reasonable to state the value of the annuity, according to the price it bears in the market.

Now, the object of the present statements is, simply to shew—the sums actually raised in different wars—the terms on which the money had been borrowed—and the reductions that have taken place in the debt, or its interest, in the intervening periods of peace ; in order to discover the progressive fall or rise of interest, in the course of the century. For this end, therefore, in the present statements, the annuities have been thrown into the general mass of interest paid on the respective loans to which they had originally been annexed ; marking only the periods when any of the annuities have fallen in.

by the war, are striking proofs of the wealth and solid advantages which had resulted, in those years of peace, from our commercial intercourse with the four quarters of the world; proofs too strong for any sophistry to overturn.

Thus stood the amount of the national debt, and of the interest paid on it, at that unfortunate æra, destined, in the future annals of our history, to mark the period of our *grandeur, strength, and opulence*. A structure, which had been raised on the basis of industry and commerce; and to that structure, and our happy constitution, we owed the extent and union of our empire: which a deliberate solecism in politics first disjointed, and an obstinate perseverance has since torn asunder.

The highest interest paid in Queen Ann's wars, was for the money borrowed in 1711 and 1712, which came to seven and a half *per cent.* and the capital to be redeemed, with twenty-five *per cent.* addition; but the gross capital, however, running at six *per cent.* was open to a reduction of interest, as money sunk in value. And in the two following * years, money was borrowed for an interest of five, and five and a half *per cent.* on the sums lent, with an addition of twenty-six or twenty-seven *per cent.* to the capital, to be paid only on redemption.

* 1713 and 1714.

In the first war of George the Second's reign, upwards of thirty years from Queen Ann's time, money was borrowed, in the year 1746, on public security, at four *per cent. per annum*, with a single life annuity of thirty shillings upon every hundred pounds lent.

In 1747 and 1748, the annual interest to be paid on the money borrowed, came to four pounds eight shillings *per cent.* on the sum so lent, and to be redeemed with ten *per cent.* addition to the capital.

In the year 1759, during the last war, money was raised rather under three and a half *per cent.* interest on the amount of the sum lent, which was to be redeemed with fifteen *per cent.* additional capital.

In the year 1761, twelve millions were raised at three *per cent.* with an annuity of one *per cent.* for ninety-nine years. And in 1762, twelve millions were borrowed for four *per cent.* interest during nineteen years, then to be reduced to three *per cent.* and to have an annuity of one *per cent.* annexed for ninety-eight years.

Whilst, in the present war, seven millions were raised, in 1779, at six and a half *per cent.* for twenty-nine years, then to be reduced to three *per cent.*

In 1780, twelve millions were borrowed at four *per cent.* interest, with an annuity of one pound sixteen shillings and three pence for eighty years, on every hundred pounds lent.

And in the present year, 1781, twelve millions have been borrowed at an interest of five and a half *per cent.* and not reducible more than a quarter *per cent.* without the redemption of the whole twelve millions, with seventy-five *per cent.* or nine millions additional capital.

The money borrowed and funded since the commencement of this unfortunate war, amounts to forty-four millions, with an addition of nine millions, to be paid on redemption ; making, since the beginning of 1776 *, an increase to the common debt of

* Amount of the funded debt, June 1775,	<i>Principal.</i>	<i>Interest.</i>
Money borrowed from 1776 to 1781, both inclusive, — —	£. 122,954,000	4,368,000
Annuities annexed to the loans, for ten, twenty-nine, and thirty years, — —	44,000,000	2,012,000
Nominal capital annexed to part of the forty-four millions, and to be paid on redemption, — — — —	— —	420,000
	9,150,000	— —
	£. 176,104,000	6,800,000
Deduct reduction of interest in 1781 and 1782, on the loans of 1758, 1760, and 1762, — — — —		212,000
Total of debt and interest, £. 176,104,000	£. 176,104,000	£. 6,588,000
Charge of management, about —		£. 80,000

fifty-three millions ; and the interest to be paid on it amounts to two millions four hundred and thirty thousand pounds a year. But a very small part of this debt can be reduced under five or six and twenty years : and if we consider the terms of the loan of 1781, the interest of which must continue for ever at five and a quarter *per cent.* or the twelve millions be paid off with twenty-one millions sterling, we shall find no money has been raised besides, on more improvident or higher terms, in the course of this century. But if to the forty-four millions already raised in support of this ruinous war, shall be added the unprovided debts, that, by the end of 1781, will be due for navy, transport, army, and ordnance services, the loans from the bank, and for exchequer bills ; the demands on Parliament, to discharge these several accounts, cannot be less than seven or eight and twenty millions, exclusive of the expences that shall be incurred in 1782. And, whether Parliament shall fund it in the next session, or let the debts run on at interest, and an increasing discount, the burthen, both of interest and discount, will equally fall on the shoulders of the public ; therefore it may be fairly asserted, that, by the end of the present year, the money raised, and to be raised to defray the expence of this war (exclusive of any nominal capital) will amount to the

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enormous sum of seventy-two millions ; which will exceed the sum borrowed in the course of the last war, by six or seven millions. This additional debt will, at the lowest computation, require an annual interest of three millions eight hundred thousand pounds to discharge it. So that, without providing for the expences of 1782, the national debt will amount, including the nominal capital, to two hundred and three or four millions ; and require an annual interest to provide for it, of full eight millions sterling.

The interest paid for the use of money, when the security is good, forms the surest criterion to judge of national wealth ; for though the terms of adjustment may be extravagant to a degree, that are given by timid financiers, in order to push the loan into the market, and secure the first advance ; or by improvident Ministers, as *douceurs* to oblige the friends of government ; still these temporary advantages, granted in the conditions of the loan, cannot affect the rate of interest to be paid annually for the use of money borrowed. What I would from hence infer is, that the interest, whatever may be its amount, will always find its natural level, by the proportionable rise or fall of the principal on which such interest shall be paid.

Upon this ground, the following conclusion

sion may be fairly drawn ; that, as the interest of money, which, from the close of the last war to the commencement of the present, was at three and three and a half *per cent.* is now raised to upwards of five *per cent.* it is evident the national wealth has been reduced, for want of its annual supply ; owing to the decline of our commerce, and the little employment for our merchant ships, in the way of trade ; and likewise to the treasure, which, in the last five or six years, has been carried out of this country, by the state and individuals, to the enriching of our disaffected colonies, and the impoverishing Great Britain. And surely it must be a very great indiscretion or neglect, in those who direct our finances, to suffer the subjects of a country, depending for its existence on commerce, to remain restricted to a lower rate of interest, than the legislature consents to allow for money borrowed to support the expences of government.

C H A P. II.

OF THE ANNUAL REVENUES FOR THE
SUPPORT OF GOVERNMENT, AND THE
CHARGE OF COLLECTING THEM.

I SHALL now proceed to examine the several heads of the revenue, drawn yearly from the pocket of the subject, either through our commerce or consumption: from whence the provisions are made, for the civil list establishment—the interest of the national debt and the supplies for the support and protection of the empire: which last expences the regular revenue has been sufficient to discharge in peace; and in time of war, the additional expence has been supplied by loans raised on the credit of the annual taxes.

The public revenues consist of many distinct heads, some of which comprize several different branches.

The customs, are certain rates or duties levied on the various articles of merchandize.

The excise duties arise out of sundry commodities for home consumption merely; taking in *spirits* of all kinds, as well imported,

ported, as distilled in England ; *beer, ale, cyder, &c. soap, candles, starch, hides, tea, coffee, chocolate, retail licences, papers of sorts, parchments, painted silks, gilt and silver wires, glass, hops, and coaches* ; with certain additional articles, taxed since the present war, as *male-servants and auctions*.

The other inland duties arise from the *post-office, salt, stamps* (wherein the late tax on *post-horses* is included) *wine-licences, hawkers and pedlars, hackney-coaches, alienations, pensions, houses and windows*. Besides these, there are some casual receipts from the duties on coinage, and gum senega ; from seizures and lotteries, American revenues, and from the crown rents ; together with the customs and excises in Scotland. The several heads here enumerated, constitute the whole of the perpetual revenue, and are collected under the executive authority, without the necessity of applying to Parliament, from year to year, to obtain them.

The taxes gathered from most of these articles, have increased with our commerce and consumption : besides, all of them have, at different periods, had further duties laid on, as circumstances have arose to admit of the addition.

As new loans were wanted, new taxes have been adopted ; and they, in their turns, in like manner increased. All these branches of the revenue were, at their first establishment,

ment, appropriated, or mortgaged, either to pay the expences of the civil list, or to discharge the interest on the national debt. And whatever sums were afterwards found, at the end of the year, to remain, from any of these branches of revenue; whether from the discharge of any part of the debt, or other reduction of interest; from its fall, or annuities dropping in; or an increase in the amount of the duties or taxes, from the increase of our trade and consumption; in any of these cases, such surplusses were to create the sinking fund, and await the future disposition of Parliament. And whenever that fund, or any part of it, was to be spared from the current expences of the year, it has usually been applied towards the reduction of the debt. The remaining branches of the revenue, those not made perpetual, are the land and malt taxes, granted annually, and consequently can only be appropriated to the current expences of the year. These, with the perpetual revenues before enumerated, make the whole of the national income.

The great object of enquiry into the nature and state of these collections, for the interest of the people, is, to discover whether, from the changes which time and circumstances have produced, any material savings can be made, or undue influence removed, either in the modes of collecting or
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issuing the revenue, or in the expenditure of it afterwards, CONSISTENT WITH PUBLIC DIGNITY, JUSTICE, AND GRATITUDE.

The customs are a principal branch of our revenue; and, arising out of commerce, may be considered as the source and supply of many other branches. For, commerce being the foundation of our wealth and prosperity, our consumption, which can only make the excise productive, must depend on the flourishing condition of our trade; at least, to carry that consumption to any great extent, beyond the mere necessities of life. That part of the revenue arising out of the trade, seems to be in a perplexed and complicated state, and stands in need of much reform; for, though productive of but little more than half the excise, the duties of the customs are collected at a much greater expence. Upon an average of four or five years, just preceding the dispute with our colonies, the charge for salaries and incidents at the custom-house came to two hundred and ninety thousand pounds a year; and the net produce of customs collected in England came, all expences deducted, to two millions and a half a year, upon the average. The fees and perquisites of all denominations, taken from the merchant or trader, are estimated at nearly the amount of the salaries and incidents:

210,000
2,500,

dents: so that, for a net produce into the exchequer, from the duties levied on merchandize, to the amount of two millions and a half, the charge of bringing it thither costs the nation between five and six hundred thousand pounds; or twenty per cent. on the net produce.

One cause of this great expence is, that as our commerce has increased, and various articles grown more in demand, from the increase of our wealth, the prices of the different commodities have risen; and consequently, when the necessities of the state have called for a further supply, the Parliament have taken advantage of these circumstances to increase the duty, as far as the commodity would bear.

And the misfortune is, that almost every addition of this kind continues to be separately levied; whereby many assortments of goods have five or six, or more, several *duties, aids, or subsidies*, to estimate and collect on. These circumstances produce much unnecessary expence to trade, from the additional officers and fees required to promote dispatch; they fetter and obstruct commerce, throwing the merchant entirely at the mercy of the collectors, and other officers of the customs: the variety of tedious calculations becoming, by these means, a science of long practice to comprehend,

prehend, and of much charge to get dispatched.

If these complicated levies were all reduced to one simple charge on each assortment, or article, in the different entries, the numbers necessary to ascertain, gather in, register, and discharge, the duties on commerce, would be very inconsiderable, when compared with the present numerous train, attendant and depending on the custom-house ; or rather, on the lords of the treasury ; to which the commissioners of the customs seem only a subordinate acting board, with little or no real controul over the numberless officers in the department. Whereas the commissioners of the customs ought to be placed, for the general good, upon the same footing with the excise, with power given them to nominate, change, prefer, or dismiss their subordinate officers, according to their merits or demerits. But the frequent appeal to, or interference of, the treasury, which interest and connection is continually making, renders the commissioners cyphers, or mere agents, on numberless occasions ; at the same time that the treasury interference and controul contributes to release the commissioners from responsibility, the great incentive, among mankind in general, to the faithful discharge of their trust.

There are several patent places in the
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custom-

custom-house, to a large amount ; the profits of which places arise from fees, and are held as mere sinecures, conducted by deputies, whose principals never appear ; and who do not (some of the principals at least) even know the business or nature of their offices. These are circumstances, which call loudly for reform ; and, if entered into with that intent, might effect much real good to the nation ; particularly by simplifying duties, and promoting thereby the dispatch of business, and by relieving the burthen on trade ; or else producing an addition, to no less amount, in all probability, than two hundred thousand pounds a year, into the treasury, without the assistance of further taxes. And at the same time contribute to lessen the influence of that power, which a former Parliament solemnly decided to have *been increased*, to be *increasing*, and ought to be *diminished*.

The excise is the most productive of any branches of the revenue ; and is collected much nearer the expenditure, and conducted under wiser regulations, and a more economical plan, than the customs. The fees and perquisites are fewer than in the customs, and the salaries and incidents amount to three hundred thousand pounds on about five millions, * malt included ; being rather

* The malt, though given but from year to year, is under the direction of the excise.

better than six per cent. upon the gross produce. As additional taxes have been laid, from time to time, on most articles of excise, several of them want, for the national advantage, to be consolidated into one simple tax.

Of the inland duties, that of salt has usually produced about two hundred and seventy thousand pounds a year gross, and has been collected for a little more than twenty-six thousand pounds a year, or barely ten per cent. The stamps, prior to the last increase, laid in 1777, produced about four hundred and eighty thousand pounds a year gross, and were collected for about thirty-five thousand pounds a year, or seven and a half per cent. Any of these articles, that have had additional imposts laid on them, from time to time, which continue to be separately collected, ought doubtless to be consolidated and reduced, wherever it can be done, to one simple tax. The tax upon hawkers and pedlars amounts in the gross to eight thousand pounds a year, and is gathered at an expence of two thousand eight hundred pounds. The gross produce from the hackney-coach tax comes to thirteen thousand two hundred pounds, and costs to collect it two thousand one hundred and thirty pounds a year.

The post-office revenue has increased very much since the beginning of this century,

and brings to the public treasury, after all expences are paid, upwards of one hundred thousand pounds a year. The increase or decrease of this branch must depend on the wealth of individuals, and the intercourse and circulation from trade.

The alienations, wine-licences, crown rents, duties on coinage, and gum senega, with the four and a half *per cent.* duty on the Leeward Islands, do not all together amount to more than eighty or ninety thousand pounds a year, the outside. Of these six articles, five stand in no need of reform: but that is not the case with the other; the crown rents, or land revenues as they are termed, call for the immediate interference of Parliament.

These crown rents were relinquished to the public at the beginning of this reign, in consideration of Parliament fixing his Majesty's civil list at eight hundred thousand pounds a year for life, freed from all uncertainties. And the rents being now a part of the national income, the executive officers of the crown are equally responsible to the people for their production, and the care of them, as for any other taxes or collections. Therefore Parliament are bound, in duty to the people, to examine into, and correct, any waste or abuses, which have crept into this particular branch of the revenue, either through connivance or neglect.

The

The land revenues, or crown rents, are leased out under various grants or tenures, and to a number of individuals, at the annual sum of twelve thousand seven hundred pounds, exclusive of the fines to be paid on renewal: they are parcelled out, in the different counties of England and Wales, into six hundred and forty-four allotments, consisting of manors, small parcels of lands, and tenements. By a valuation in the year 1751, these several allotments were estimated, according to the improved value, exclusive of fines, at the yearly rent of sixty-nine thousand pounds, which makes an increase of fifty-six thousand pounds a year on the present rents; whilst both the rents, and fines on the renewal of leases, never brought in, on an average for thirty-three years, from 1728 to 1760, to near the amount of the rental.

Besides the several allotments enumerated, there are in North Wales sundry ancient revenues, of much the same nature, spread over the different counties, set at three thousand one hundred and ninety-eight pounds a year; consisting of four hundred and ninety-four allotments, some of them under five shillings: most of them have been long neglected, and are become obsolete; but open, in all likelihood, to revival, at a much higher rent, according to the increased value of lands.

At present, this branch of revenue, called the crown rents, is useless, or rather burthensome on the state; and seems to be kept up merely to support certain titular officers, under the appointment of the crown, and which answer no end or purpose, but to strengthen and promote its influence.

The amount realized from these land rents, has been charged with sundry stipends and pensions, for several years past; and the little that remained was generally issued to the surveyor of the woods, to repair parks, lodges, &c.

For the care and collection of these rents, the surveyor-general, and his inferior surveyors, the auditors and receivers, were established, over the crown lands in England, and the principality of Wales.

There is also an establishment belonging to the duchy-court of Lancaster, consisting of forty regular officers; whilst the duchy estates, in point of public benefit, are in much the same predicament with those before mentioned.

Such kind of unprofitable establishments must have a tendency to create vexatious suits, for the purpose, at one time, perhaps, of private gain; and at another, to intimidate or perplex. Therefore, it would create a considerable saving to the nation, and destroy much improper influence, to sell these several tenures outright, and abolish the
different

different offices belonging to all these useless branches of revenue; offices which neither convey utility to the state, nor dignity to the crown; and the abolition can be opposed only by weak, unpopular ministers, as it would deprive them of one of the engines of their security and defence.

To hold under these tenures, must be an injury to improvements, as the rents are liable, at the expiration of every lease, to be raised to their full value. So that the persons, who hold under the grants, would certainly be glad to purchase from the public the fee-simple, at the highest value that could in reason and justice be set on them; to be freed from any future demands of fees and fines, and from all vexatious suits: and there can be no doubt, but the nation might obtain, from the sale of these estates, a very considerable sum of money.

But to return to the remaining branches of the revenue: the * sixpenny and shilling taxes on pensions and office places, produce about † one hundred and forty thousand pounds, and are collected at the expence of two or three thousand pounds, a year ‡.

* No place arising either out of *fees, salary, or pension*, is rated, that is under fifty pounds a year; yet that tax is gathered, on one million eight hundred and thirty thousand pounds.

† These taxes had better, surely, be abolished, by a reduction of the salaries they arise out of.

‡ The receivers, besides, hold back seven or eight thousand pounds in their hands, from time to time.

The

2. 800 The house and window tax, prior to the present war, came to three hundred and eighty thousand pounds : the charge of collection is five pence in the pound, allowed among the collectors, and the receivers-general of the land tax ; besides the salaries to the commissioners, and the surveyors belonging to the land office.

The tax on the land varies from two, to three, or four shillings in the pound, as the exigencies of the government shall require. Four shillings in the pound is the highest rate that has ever yet been laid ; and when at that rate, the land tax is granted for two millions sterling. The charge of collecting the land tax, at four shillings in the pound, with the houses and window taxes*, amounted, before the last house tax, to about sixty-three thousand pounds, with a reduction of about nine thousand pounds from the above charge, for every shilling in the pound the land tax shall be lowered.

In 1778, upon the new tax made on houses, seven additional officers were appointed, under the commissioners ; and the salaries of a hundred and fifty-four surveyors increased twenty-five pounds a year, or fifty *per cent.* beyond their former amount ;

* Land tax,	—	—	£. 2,000,000	
Houses and windows,	—	—	385,000	
			<hr/>	
			£. 2,385,000	which,

which, with the five pence in the pound to the receivers and collectors for the counties and districts, will make an addition to the above charge of twelve thousand pounds a year. The land, house, and window taxes, before the last new tax, were collected (the land at four shillings) under three *per cent.*; whilst the new house tax, though gathered by the same collectors, and with scarce any additional trouble, is to incur an expence of four and a half *per cent.* on the sum to be collected, adding between five and six thousand pounds a year to the salaries of the same surveyors, who, till 1778, had made the parochial surveys of the land and windows for between thirteen and fourteen thousand pounds a year; whilst the charge of surveys, since this new tax, will now amount to nineteen thousand pounds a year.

The casual supplies arising from a lottery, and seizures, have latterly come to about two hundred and thirty thousand pounds a year. There are also the customs and excise in Scotland, with some inland duties there, to no very considerable amount. The gross produce of these articles do not all together exceed three hundred and forty thousand pounds a year; and the customs and excise in Scotland amount to no more than two hundred and sixty thousand pounds a year, including expence of collecting; the charges and incidents for which collections come to

ninety thousand pounds, or thirty *per cent.* on the gross produce; whilst only part of the remaining produce comes to England, the rest being expended in that country.

I have now taken a view of our collections, or national income, down to 1775, when this rupture broke out between England and her colonies.

Since the year 1776, the following additions * have been made to the national income, to furnish interest for the loans of the last five years:—Customs on goods charged before with duties, eight hundred and ninety thousand pounds; increase on the articles already excised, eight hundred and forty-six thousand pounds; additional duties on houses, stamps, and salt, four hundred and nine thousand pounds; and on new articles,

* New articles taxed :

Auctions,	—	—	£. 37,000
Male-servants,	—	—	100,000
Post-horses,	—	—	164,000
			<hr/>
			£. 301,000
			<hr/>

Old taxes increased :

Customs,	—	—	£. 892,000
Excises,	—	—	846,000
Houses,	—	—	264,000
Stamps,	—	—	76,000
Salt,	—	—	69,000
New articles taxed,			301,000
			<hr/>
			£. 2,448,000
			<hr/>

never

never taxed before, three hundred and one thousand pounds; making together an addition to the former taxes or collections of two millions four hundred and forty-eight thousand pounds.

I shall now proceed to draw into one point of view, the whole that is collected officially from the pocket of the subject, every year.

The gross amount of these collections, prior to the war, did not exceed — — — — — £. 11,900,000
 The salaries and incidental charges, paid out of the collections, not including fees or perquisites of any kind, taken from the pockets of the merchants, or others, came to, prior to the present war *, — — — — — £. 850,000

† Amount paid for bounties, about — — — — — 180,000 — — — — —
 Civil list annual payment, — — — — — 800,000 — — — — —

Amount of interest paid in 1775, on the funded national debt, being £. 4,368,000 — — — — — £. 1,830,000 — — — — —
 Add charge of management, — — — — — 77,000 — — — — —

— — — — — £. 4,445,000 — — — — — £. 6,275,000

Hence there remained, for the support of the navy and army, &c. — — — — — £. 5,625,000
 Which consisted of the land and malt taxes, and the produce of the sinking fund, including the taxes in Scotland.

* Charges of collecting the revenue, down to 1775 :
 Customs, — — — — — £. 290,000
 Excise, — — — — — 300,000
 Customs and excise in Scotland, — — — — — 90,000
 Land tax, about — — — — — 65,000
 Sundries in England and Scotland, small duties, — — — — — 110,000

£. 855,000

† Bounties are not to be considered as a burthen on the subject, though paid out of the revenue ; being only given to encourage some branch of exportation, or improvement in the annual produce of this country, or its colonies, in order, in the end, to benefit the nation.

These

These articles *, upon examination, will be found about equal to the above amount; for the taxes on land and malt, clear of the charges of collection, were barely two millions and a half; and the sinking fund, or unappropriated surplusses arising out of the perpetual branches of the revenue, came to, for the year 1775, two millions nine hundred thousand pounds.—Thus the revenue, after providing for the interest of the debt, and the civil list establishment, left a remainder for the services of the state of upwards of five millions, the land-tax at four shillings in the pound; and of four millions, with the land-tax at only two shillings.—In 1779 and 1780, the sinking fund was rather higher than in 1775, amounting to three millions in each of those years. But this increase arose merely from an increase in our consumption, no part of it from foreign commerce; for the customs were decreased since the war in their net produce, although additional du-

* Net produce of the sinking fund in

1775	—	—	—	2,900,000
Land and malt taxes, the land at 4 s.	—			2,500,000

£. 5,400,000

Net amount of Scottish taxes, unappropriated, about	—	—	—	230,000
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A part of which never come to England.				£. 5,630,000
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ties

ties had been laid on articles of trade. Therefore it is fair and reasonable to infer, that the great consumption, which made the taxes more productive, was promoted and supplied by the circulation and expenditure occasioned by the war.

If to the gross revenue in 1775, amounting to	—	—	11,900,000
Shall be added the taxes created since the war, of	—	—	2,448,000
The money borrowed in this year, making	—	—	12,000,000
And the sums lent by the Bank, and given by the East India Company, amounting to	—	—	2,400,000
			<hr/>

These several sums, amounting to	—	—	—	£. 28,748,000
				<hr/>

shew the avowed expence of the year 1781 : but what the expences of this year shall exceed the eight or nine-and-twenty millions, will depend on how much the debts for the navy, army, and ordnance are increased, at the end of 1781, beyond their amount at the end of 1780.—Thus much for the collection of the revenue, and additional aids; but the expenditure of twenty-nine millions sterling, within the compass of a year, opens a far wider field for enquiry and reform.

C H A P. III.

SOME OBSERVATIONS ON THE COMMISSIONERS REPORTS, AND ON THE EXPENDITURES FOR THE CIVIL LIST.

IT was the expenditure of the money, that more particularly awakened the alarms of the people, and drew forth the petitions from the counties. Petitions the people were fully justified in sending up to their representatives; but which would probably have carried greater weight with them, if they had meddled less with speculative points, though they seemed to require reformation; being subjects, wiser and safer to bring forward for parliamentary discussion, in times of peace. Therefore it might have been better, if the petitions of the people had been confined to the conduct of the Commons, and the appropriation, by the servants of the Crown, of the free grants from the pockets of the subjects. Here, I rather apprehend, lay the extent of the people's title to any interference with the executive power; here bounded their authority, and their more immediate right to question, through their representatives,

the conduct of ministers: an authority sufficient to answer every wise and salutary purpose; and, when firmly and temperately exerted, will never fail bringing to light material acts of corruption, if such shall have been practised, or any misapplication whatever of the public money; which becomes highly criminal, whenever it is applied to purposes different from those for which it had been specifically given.

I bend with reverence and respect before the great executive authority of my country; and wish sincerely never to see any of its inherent rights invaded or circumscribed in the smallest degree. But the Crown, in whom that power concentrates, delegating to the great officers of the state, the responsibility annexed to all executive acts, and to issues of money from their respective departments; those officers are by the constitution to answer to their country for their advice or their conduct, at the risk of their lives; whenever arraigned by a charge from their Prince, or impeached by Parliament.

And these great officers of government are bound in duty to account to the people for the application of the money granted by Parliament, so far as to plainly shew the money had been carefully collected, and faithfully applied to the uses alone for which it had been granted. This is what the people are entitled to know, and is all they have a
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right, I conceive, to demand of their representatives; and which Parliament ought surely to lay before the public, without being called upon so to do.—But how did the last Parliament act in this respect? In the Upper House, a motion was made by a noble Lord for a commission of accounts, upon the soundest principles of reason and justice; yet that motion was over-ruled; and so was another in the Lower House, of a similar kind: both strictly conformable to former precedents*.

In the last Parliament, the Commons, roused by the loud and serious calls of the public for a redress of grievances, and an examination into the state and expenditure of the public revenue; voted, that the influence of the Crown had passed its proper bounds, and ought to be restrained; yet that same Parliament afterwards rejected every attempt to check and reduce the undue influence exercised by the servants of the Crown; throwing out every subsequent motion that tended to lay open the channels of corruption, if any such there were.

What indignation must the people entertain towards their former representatives, who were unable to explain to them what

* Vide inquiries made, by commissioners, who were members of parliament, or by particular Committees, appointed to examine into specific heads of expence, in the years 1691, and 3; 98; 1703, 11, 13, and 18; 1728; 1741, 43, 49, 58; and 1761, 62, and 63.

duty required at their hands unasked! At the same time, a majority of those very representatives were so infatuated, as to negative every motion leading to an explanation of the public accounts; thereby refusing to examine themselves, or even to suffer any members of the Commons to proceed to an official enquiry, though many very respectable independent characters had expressed a desire to that end, as well in discharge of their duty, as in compliance with the voice of the people. However, some of the leading members of the last Parliament, apprehensive lest too evident contempt for the just and reasonable requisitions from the people, contained in the county petitions, might make the national appeal in the end too serious for them to withstand, did, from some such motive, bring forward the appearance of an enquiry into the national revenues and expences, and thereby produced a Commission of Accounts; which was, by a majority of the House, transferred, without precedent, to men who were not representatives of the people, or in anywise responsible to them for their conduct; and over whom the Parliament, nor any committee of its members, had power given them to direct or promote any particular line of inquiry in the progress of the business, further

ther than the loose and general terms of the commission extended.

However, this semblance towards an investigation of the public accounts, an honest unsuspecting people readily confided in, as intended to correct and reform the errors and abuses crept in by time, and a change of circumstances, into the collection and expenditure of the people's money.

It must, upon reflection, carry with it an awkward appearance, and furnish ground for unfavourable suspicions, to see this committee of persons out of Parliament, brought forward by those whose conduct, with respect to the finances, they are to examine and report on, as well as the errors and mistakes which time had introduced.

The last Parliament surely were wanting in duty to the people they represented, to be ignorant of the expenditure of the public money; and, when called upon for a satisfactory explanation, to consign the enquiry to men who were not members of the legislature.

The proposition ought to have been rejected by the former House of Commons with disdain, that attempted to appoint such a commission, so disgraceful to themselves, and which will be considered in the world, as a striking testimony of their indolence, or contempt for their constituents; or that some undue influence had operated on their

minds, to prevent that effectual reform, which the same commissioners, in a different situation, as members of the House, would have produced.

The commission is doubtless extensive in theory, as it goes to the collection and expenditure of the public revenue in general. It impowers the commissioners *to examine upon oath all the servants of the Crown, civil, and military, and naval, with respect to the collection and expenditure, through their several offices. It authorizes them to search into any corrupt and fraudulent practices, or other misconduct committed within any of the respective departments; and shall from time to time report their proceedings, as soon as possible after their determination on them. They shall likewise report an exact state of the fees or gratuities paid or given in collecting, issuing, expending, and accounting for such public monies, and the authority under which such fees or gratuities are paid or received, and what defects they may observe in the present mode of contracting for public services, &c. And they are to report what in their judgment shall appear fit and expedient to be established, in order that the monies granted, raised, and appropriated for the public service, may hereafter be received, issued, expended, and accounted for, in the manner the most expeditious, effectual, beneficial, and advantageous to the public.*

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This was a task the representatives of the people in the last parliament, could by no means be justified in assigning to men who were not members of their own body ; for it is they who are accountable to the people for the grants and application of their money, and which in conscience they are bound to deliberate on and attend to with care. And it is those representatives only, who are competent to judge and decide of any alterations or amendments which time and circumstances may have made necessary : but how can they be competent to decide, without going into the enquiry ?

Are not the grounds of complaint, that too great profusion prevails in the expediture, and too much waste and remissness in collecting of the public revenues ? Were not the petitions from the counties, the motion of a noble Earl in the Upper, and of an honourable Member in the Lower House, all founded on these ideas ? Do they not go to reflections on the servants of the Crown ; who seemed to evade any examination before the legislative bodies, where they only could be justified ; and then exerted their influence for a committee out of the House, with loose and undefined authority, who were to examine into errors and abuses committed under the controul of the ministers, and in some of their respective departments.

Can any thing be more derogatory to the dignity of the people's representatives, and the duties of their trust, or more humiliating in their situation, than for the last Parliament to have suffered such a commission to pass into the hands of men not members of their body ?

The committee are doubtless respectable characters ; but, not being members of either House of Parliament, how are they to proceed in their enquiry, without the assistance of the executive officers, whose conduct they are to examine into ; and who must, if they chuse so to do, have it in their power to retard or mislead them in their progress ? All former commissions were given to members of the Parliament ; and every specific object of their researches expressly declared in the votes of the House ; as the commissioners appointed at different times, from king William's reign down to George the third, will shew.

Therefore it is curious to observe, that the present commissioners are directed to examine into errors, mistakes, and frauds in the collection and expenditure of the revenue, without any paths marked out to guide them through the labyrinth, in this vast field for inquiry ; and which is so very contrary to the instructions given to former commissioners of accounts ; to whom objects of great magnitude were in the clearest

clearest and most pointed manner marked out, relative to the army and navy, specifying the separate articles of the navy to be searched into: whilst, in the present commission, no other object is pointed out particularly, but the balances remaining in the hands of the several *receivers, treasurers, and paymasters*; an object extending to no neglect or abuse, but what the executive authority has power to alter and correct.

Before I proceed to make any comments of my own on the public expenditure, similar to those on the collection, I shall take a review of the reports, to see if any essential discoveries have been made, or steps taken, that may work any useful reform, either in the collection or the expenditure of the revenues, or in the attainment and disbursements of the loans.

The first report relates to the balances in the hands of the receivers general of the taxes on land, windows, and houses. The arrears owing thereon, the 14th of July 1780, up to the preceding Lady-day, came to three hundred and ninety-nine thousand pounds; and the balances laying in the receivers hands, in July and August 1780, including the new taxes on servants and inhabited houses, amounted to six hundred and fifty-seven thousand pounds. The gross amount of these taxes, when the land is at
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four shillings, comes to upwards of * two millions seven hundred thousand pounds: so that six hundred and fifty-seven thousand pounds were not more than equal to a quarter's collection on the counties of England and Wales: at the same time that the balance in the hands of the receiver for Scotland exceeded a year's tax.

Besides the sum of six hundred and fifty-seven thousand pounds in the hands of the receivers general, in July and August 1780; there were arrears to the amount of one hundred thousand pounds, owing on the land tax and window duties, between the years 1755 and 1777; and why those arrears have been suffered to remain so long unfettled, the lords of the treasury can best inform the public.

I do not mean to infer, that six hundred and fifty-seven thousand pounds, were not a larger balance, than ought to remain with the tax-gatherers; but I mean to assert, there could be no necessity for a commission of accounts, either to discover the amount, or correct the abuse: for the re-

* Land Tax	—	—	£. 2,000,000
Houses and Windows	—	—	385,000
Inhabited Houses Tax	—	—	264,000
Servants Tax	—	—	100,000
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			2,749,000
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gulations established by Parliament are sufficient to bring those taxes as expeditiously, into the Exchequer, and on as easy terms, as any collections under the excise. The receivers general have only to call on the collectors of the divisions, who are obliged to pay in at fixed times, to their order; and the speedy and effectual means of forcing the money for these taxes, when they become due, from the pockets of the subjects, are too well known for any to contend, when peremptorily demanded by the collector. Therefore I doubt not but a discerning public will readily agree, that the treasury-board alone are to blame, if these taxes are not as regularly remitted to the exchequer as any branch of excise.

The receivers general, who talk of their salaries as inadequate to their trouble, may depend upon it, that men of probity and property will never be wanting, who can bring sufficient security, and will readily accept the office for sixteen shillings and eight pence per cent.

The receiver general for Scotland appears to consider the use of the public money in his hands as the only advantage he has for executing the office, and does not look upon the large balance as more than a reasonable equivalent for the trouble and expence of executing it. However, as the land tax raised in Scotland was settled to be paid into

the exchequer, clear of all deductions, I should apprehend it remained with his countrymen to pay him for his trouble; and their neglect so to do, could give him no claim on England, or justify him in keeping the money for any time, for his private emolument. Nevertheless, it must be readily acknowledged, that he ought to have an equal reward, proportioned to the amount of his collection, with any other of the receivers general.

The second report contains remarks on the balances in the receivers hands, who conduct the other branches of the revenue, all of which they apprehend are paid up properly, the post-office excepted; which, from the increase in that branch of revenue, would admit of a larger weekly payment into the exchequer, than seven hundred pounds, the sum settled in queen Anne's reign, and appropriated for a particular purpose; the remainder being at present only paid quarterly. But surely these circumstances can never require the interference of Parliament, and the assistance of a special commission, to alter and correct.

The second report remarks also, that the easy duty annexed to the commissioners of the taxes on land, stamps, salt, hawkers and pedlars, and hackney-coaches, furnishes a strong presumption, that upon inquiry a consolidation might be made of some of these

these offices, beneficial to the public ; they being at present under five separate boards. Two of the boards meet three times in a week, one of them twice, and the other two only once a week. It is true, as these boards had been established by Parliament, it was necessary for Parliament to decide on the abolition, or alteration, that may take place concerning them ; but the extent of their duty, and the time that duty took up, must have been long known to the treasury ; and it was in their power to have proposed to the Commons such savings, as might result from throwing more of these taxes into the hands of one set of commissioners ; at least a special commission could not be wanted for this trifling reform.

The third report goes to an examination into the state of the balances which usually lay in the hands of the treasurer of the navy. The different balances in his hands, brought into one sum, will appear considerable, and are more than could be at all necessary, if the mode of appropriating the issues from the treasury was altered. These issues are made to the treasurer of the navy, at the requisition of the navy-board, and consist of three separate branches, *the Pay, the Cashier's, and the Victualling*. In the first are contained the wages for seamen, artificers, and half-pay ; in the second are paid the navy bills, and demands for wear and

tear, marine stores, and transporting naval stores of all kinds. In the third branch are discharged the contracts and engagements for the victualling offices; but the gross issues from the Exchequer, both for the pay and victualling, pass first into the cashier's account.

The fourth and last report, which closes the commissioners' researches during the first nine months, relates to the balances in the hands of the paymasters of the army.

The balance in the hands of lord Holland, or his executors, from June 1765, the time his lordship quitted the office, down to December 1777, amounted to four hundred and fifty thousand pounds; in 1778, two hundred and two thousand pounds of the above sum were paid; and from December 1778 to December 1780, two hundred and forty-eight thousand pounds remained in the hands of the executors.

The balances in the hands of the paymasters, or their representatives, from lord Holland, down to Mr. Rigby, came to about one hundred and twenty thousand pounds all together.

The simple interest on lord Holland's balances, calculated at four pounds per cent. for each year, amounted to two hundred
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and forty-eight thousand pounds; and the interest on the other paymasters balances, to forty-six thousand pounds; which, for the fifteen years, from 1765 to 1780, is a loss to the public of nineteen or twenty thousand pounds a year. This sum is an object worth saving; and, whilst the state is paying interest for exchequer bills, for votes of credit, or for advance on the land tax, it is highly improper to suffer any balances, to a considerable amount, to lay in the hands of either the receivers or paymasters; especially when, at this day, issues are to be made on the shortest notice at the exchequer, through the assistance of the bank.

And if the treasurer of the navy was indiscriminately to apply his cash to the payments for either of the three branches, instead of keeping separate cash accounts for each of them, and if other branches of expenditure were to do the same, the balances in the treasurers or paymasters hands never need be to any considerable amount.

However necessary these large advances to paymasters might have been formerly, the intercourse government now holds with the bank, makes any real issues useless, except for paying wages of different kinds; as all larger sums would be best discharged by drafts on the bank.

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The idea of difficulties arising in the balancing these cash accounts, at any particular period, seems rather unaccountable. If the balances in the hands of a treasurer or paymaster, and his clerks, are struck, and found to be bona fide in their possessions, no difficulty could be made by the successor in receiving the balances, and taking on him the trust. The treasurer and paymaster are only responsible for defalcation in their pay clerks; all other payments, made to specific orders, are cleared as they go: and no great embarrassments could arise to the adjusting the pay clerks balances at the several pay offices in town, or at the different dock-yards, if the servants of the Crown were so inclined.

The agents of regiments, after they have received any sum authoritatively, can draw no embarrassment on the paymaster; and when any pay clerk has been suspected of embezzlement, there has been very little trouble or time required to bring his account to a balance, and to ascertain very accurately to what amount he has been a defaulter.

There can be no doubt but the accounts of these great treasurers and paymasters might be adjusted, and passed more expeditiously, than has usually been the case.

The idea of a paymaster withholding the public money, in consequence of an official dispute,

dispute, that may last for years, between him and one of his deputies, seems too injurious to the public interest, for any servant of the state to connive at.

This plea or pretence to withhold the public money is further aggravated, by a paymaster for the army having been suffered to keep back four hundred and fifty thousand pounds for twelve or thirteen years, and two hundred and fifty thousand pounds for two years past; at the same time that the amount acknowledged to be in litigation does not exceed seventy-five thousand pounds.

Parliament are bound in duty to take care that every possible check shall be established, to prevent material embezzlements; but it must lay with the head department of the *finances* to determine what sums of the unexpended money shall be suffered to pass from time to time out of the exchequer, into the hands of the treasurers and paymasters.

Difficulties will be raised, where errors and abuses, which time and custom have sanctified, are brought forward to be abolished, or reformed; because the private interests of many individuals will be liable to suffer from such steps.

And whenever the executive officers of the Crown shall trust the security of their power, or the concealment of their misconduct,

conduct, to the assistance and support which secret influence affords, they will be averse in their hearts to that effectual reform, which goes to root out such influence, whatever appearances they may outwardly assume.

These reports as yet have gone to no material reform; for though a saving of sixty or seventy thousand pounds a year might arise from any considerable balances being no longer suffered to lay in the hands of the receivers, treasurers, and paymasters; still the practice can never be effectually prevented, but by proper exertions on the part of the treasury-board.

And their lordships, I conceive, had no sort of occasion to give the commissioners nine months tedious researches, to remedy an evil which the attention of the treasury-board only can effectually prevent. Therefore these researches have done little more as yet, than to amuse the public, and contribute to lull their fears asleep; which have been done effectually; for the honest, unsuspecting mind flatters himself reformation is at work, and quietly waits the event. May men of those opinions find in the end they have not been mistaken!

I shall now proceed, having, I hope, candidly commented on the reports, to make some remarks on the different branches of the expenditure; which, with the regular

revenues, and the temporary loans made under the faith and security of Parliament, amount for this year to almost twenty-nine millions sterling. 29,000

Of this enormous sum, upwards of a million of pounds sterling * are expended in the gathering in the revenue, including bounties given for the encouragement of different productions useful in trade and manufactures.

In the issuing and disposal of the remaining twenty-seven millions and a half, for the several uses and demands of government, and afterwards auditing that expenditure; the salaries and incidental charges of the public offices, through which this vast sum passes, to the final close of the accounts; with the fees, perquisites, gratuities, and pensions, paid by the way out of the public money, will, I may venture to assert, amount to one million four † or five 17,500, 1,400,

* This million does not include any of the fees or perquisites of offices, paid by the merchant or others, for which no allowance is made out of the revenue.

† This includes the civil establishments, for issuing and auditing the public expenditure; for the admiralty, and its subordinate boards of navy, victualling, &c.; likewise for the several dock-yards, with the naval storekeepers, and agent victuallers; for the army paymasters and their clerks, and the commissaries and agents; with the civil establishment belonging to the board of ordnance; the charge in-

five hundred thousand pounds more ; making, together with the charge of collecting, two millions and a half sterling : and the twenty-six millions, which remain, are left to defray the expence of the civil list, of the naval and military establishments for the current year, and the interest of the national debt.

The expences for the civil list establishment was settled, in the beginning of the present reign, at eight hundred thousand pounds a year.—In 1769, it was five hundred and thirteen thousand pounds in arrear ; which a former Parliament very indulgently discharged. In the succeeding eight years, the civil list was again in arrears to the amount of six hundred and eighteen thousand pounds ; which the last Parliament, following their predecessors example, discharged, without inquiry or hesitation, or any step taken to search out the causes of these frequent great deficiencies, in order to discover whether they arose from waste, extravagance, or improper pensions, or any other misconduct in the ser-

curred for paying interest at the bank, and other public funds ; the interest paid for anticipating the revenues, from time to time, and on the unfunded debts contracted by government ; such as interest on navy and exchequer bills, &c. with all the fees, perquisites, and allowances granted in the settling and adjusting the different accounts.

vants of the crown. And they not only paid the arrears with the people's money, without knowing if they were justified in so doing, but settled one hundred thousand pounds, in addition to the civil list, during his Majesty's life.

Queen Anne, exclusive of the allowances for the branches of the Royal Family, had but six hundred thousand pounds a year for the maintenance of her household, and the dignity of the Crown.

Of the two last Kings, George the First had but six hundred and eighty thousand pounds, exclusive of the allowances to the Royal Family, under every additional assistance, through his reign; and George the Second had, exclusive of the allowances to his Queen and Royal Family, six hundred and eighty-seven thousand pounds, upon the average for thirty-three years, reckoning in every additional grant or assistance obtained through the course of his reign.

These two last Kings, from their attachments and visits to their native country, incurred considerable expences the present King has avoided; and which the nation were not bound either in justice or generosity to provide for.

The present King had, from his accession, the latter end of 1760, a settled income of eight hundred thousand pounds, subject to no uncertainties; and, after pro-

viding for his Queen, his Mother, and the rest of the Royal Family, full six hundred and sixty thousand pounds a year remained. By the death of his brother, the Duke of York, in 1767, twelve thousand pounds a year fell in to the King : In 1769, five hundred and thirteen thousand pounds were given by Parliament to pay his debts, which, upon the average amount for the first eight years of his reign, made the King's expences, after providing for the Queen and Royal Family, seven hundred and thirty thousand pounds a year. In 1772, the Princess Dowager died, which brought the King a further addition to his income of sixty thousand pounds a year, making his income, exclusive of the Queen, and the other branches of the Royal Family, seven hundred and thirty thousand pounds. However, in 1777, a fresh application was made to Parliament, for the discharge of his Majesty's debts ; which, in the course of eight years, from 1769, came to six hundred and eighteen thousand pounds, and made the King's annual income for those eight years, exclusive of the expences of his Queen, Aunt, and Brothers, &c. seven hundred and eighty thousand pounds. And from 1777, by the additional one hundred thousand pounds to the King's income, his Majesty has had from his subjects, exclusive of the Queen and Royal Family, eight hundred and thirty thousand

thousand pounds a year, to support his household, and the dignity of his Crown.

The servants of the Crown, in the late reign, never had more than six hundred and ninety thousand pounds a year, reckoning every addition, to support the same articles which the servants of the Crown, during the first eight years of the present reign, expended annually seven hundred and thirty thousand pounds to provide for; and, during the following eight years, seven hundred and eighty thousand pounds; and from 1777, eight hundred and thirty thousand pounds a year. Nevertheless, the talk abroad is, that the household and salaries are growing again into arrears.

When his Majesty's servants have been so careless and profuse, as to suffer large arrears, in short spaces of time, to accumulate in their departments, which the income cannot discharge; it then becomes incumbent on the Commons to examine the expenditure, and search into the causes of the deficiencies, before they proceed a second time to grant any further aids to discharge them; lest any part of the money should have been applied by some of the servants of the Crown to corrupt purposes, such as might be subversive of the constitution in the end.

For Parliament, at any time, to grant an additional supply, before the debts shall have

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have been explained, could be considered in no other light, than as a glaring breach of the trust reposed in them by the people. Because it may tend to betray the nation, at some period or other, by furnishing a precedent for bad ministers in future to be careless and indifferent as to what waste or extravagance they run into in the expenditure of their Sovereign's income, seeing that without difficulty, or even the least inquiry, they could easily supply all deficiencies, whatever may be the amount.

No subject can have a wish to reduce his Sovereign's income, or to controul him in the mode of expending it, whilst his servants shall be attentive to make it subservient to the expences of his household, and the dignity of his Crown. But when improvident servants run their Prince in debt, and come to Parliament for relief; the Commons might reasonably be expected to make inquiry into the cause of the debt; which would have led the last Parliament, in 1777, to have looked into the state of the pension list; and to have asked, Why the pensions paid at the exchequer, and those by a paymaster, were increased in 1775 near thirty thousand pounds, and in 1776, seventy thousand pounds a year beyond their amount in 1760? Also, what were the amount of the secret pensions, and to whom paid; for though their ex-
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istence was not denied, yet all explanation was, contrary to reason and justice, withheld by the last Parliament; they rejecting the motion for laying the account before the public, although the necessity of it had been urged by one of the members of the Commons; who accompanied his assertions with some circumstances of a very dangerous tendency; leaving no other alternative for the ministers' defence, but either to bring forward the list, or else shew to the public the falshood and calumny of the charge.

It may naturally be supposed, that the Parliament, had they examined into the civil list debts, would have asked, why the salaries and allowances to our ministers at foreign courts were increased, from 1765 to 1776, thirty thousand pounds a year more than their amount in 1754?—both times of peace. Why the privy purse, wardrobe, stables, and board of works, came to eighty thousand pounds a year more in the present, than in the last reign? Whether it could in anywise affect the ease and convenience of the Sovereign, or the dignity of the Crown, if certain useless and nominal offices, with large salaries, were abolished? such as a treasurer and comptroller of the household—the one without cash, and the other without power. A lord warden of the cinque ports, and a constable of

Dover

Dover Castle—now that the charge and protection of the coast is no longer entrusted to these ports, and their lord warden. A surveyor and auditor of land revenues—when scarce any lands or revenues remain. A master of the hawks—when none are trained, and the amusement no longer practised. A lord, the paymaster of pensions—that might as well be paid at the exchequer, or the bank, for the salary of a common clerk. Chief Justices in Eyre, with very large appointments—when the distributive justice they were to preside over, the motives of their establishment, have long been at an end. These are the circumstances for Parliament to look into; and which could never be done, consistent with the respect due to the Sovereign, but when the neglect and mismanagement of his servants have rendered the royal income insufficient to provide for his Majesty's household, and the dignity of the Crown.

Thus, taking in the civil list, is the expenditure of near three and a half, of almost twenty-nine millions, raised for the year 1781, to be accounted for: six millions six hundred thousand pounds must be applied to discharge the interest of the funded debt*: the remainder, rather more than eighteen mil-

* The amount, after allowing for the reduction of interest, £. 212,000, in 1781 and 1782.

lions and a half, goes to defray the different branches of the navy, and the navy transports, the army; the ordnance, and their transport services. These are the great fields of profit and advantage to all concerned in them, except the *sailor* and the *soldier*. These are the gulphs to be explored, and to which the petitions of the people were particularly pointed. But the expences of the separate branches of these great departments, the servants of the crown, perhaps, did not chuse to lay open to the people; rather wishing to conceal them from the public eye, in one general mass: and the last Parliament, either through indolence or complaisance, seemed too readily inclined to meet such wish. For, otherwise, would they have recorded their resolution to remain ignorant of what it was their duty to know, by rejecting every motion that went to the elucidating the accounts? and which Ministers would hardly have ventured to withhold, if the last Parliament had been resolved to be informed.

C H A P. IV.

STRICTURES ON THE NAVY AND ARMY
EXPENCES, COMPARED WITH THEIR
AMOUNT IN THE LAST WAR.

OUR navy, at the close of the last war, was in a very respectable state; the ships in much better condition, and far more numerous, than they were in the year 1776, at the commencement of our colony, or transatlantic war. This naturally leads us to conjecture, that many ships had been suffered to decay, and stores to waste away, without being repaired or replenished, during the twelve years from 1764 to 1776. And though the war was then avowedly begun, and might have been with reason predicted in 1775, if not sooner; and every circumstance that experience suggested, told us to beware of France and Spain; yet in May 1778, after France had declared her intentions to support our revolted colonies, many of our ships were in a defective state, and in such want of stores of every kind to equip them; that in two months from the
rescript

rescript delivered by the French Ambassador, and his hostile departure from hence, it was with great difficulties and delays, much as the time pressed, that Admiral Byron's squadron, of twelve or thirteen ships of the line, could be dispatched to follow the squadron of France to America; which, instead of following, we should have been there ready to receive. But so defective were our navy, that, when with difficulty this squadron was assembled at Spithead, some of the running rigging, it has been credibly asserted, were unreaved from other ships, in order to promote the dispatch of the squadron.

These are striking proofs of the neglected state of our navy, when the war broke out in Europe; though, in common prudence, we ought to have had the hulls in constant repair at all times, and stores sufficient in readiness to equip a formidable fleet, so as to be able to put to sea on the shortest notice. And had we been fortunate enough to have our fleets properly arrayed, and sent in time to the protection of our settlements, when France declared against us, neither Dominica, St. Vincent, nor Grenada, had been taken.

At the close of the last war, in 1763, we were in possession of a fleet, that, with common care and attention, might have been easily renewed, and kept in condition to come out of harbour on a short notice.

We had at that time one hundred and nine * ships of the line, including those of fifty guns, and eighty substantial frigates, in commission; and building and in ordinary, forty ships, from fifty guns and upwards.

From the wear of the war, and from lying in ordinary, many of the ships, even during peace, would want repairing, or rebuilding, from time to time. The masts and yards, if properly taken care of, might last many years; so would guns and anchors; and those stores liable to decay, might, by proper management, keeping always a stock of materials on hand, soon be prepared for use.

* In commission the end of the war, in 1763:

				<i>Ships.</i>
Ships of the line, from 100 to 60 guns,	—			90
Ships of 50 guns,	—	—	—	19
				<hr/>
				109
From 44 to 40 guns,	—	—	—	14
From 38 to 24 guns,	—	—	—	64
				<hr/>
				187
				<hr/>

Ships out of commission in 1763:

Ships of the line building,	—	—	—	11
In ordinary, of the line,	{	to be repaired, or	}	29
including ships of 50 guns,				
		broken up, and		
		rebuilt,		
				<hr/>
				40
				<hr/>

But

But the great essential object to be attentive after is, the repairs or renewals of the hulls, as those shall be found to decay. If the hulls had been carefully attended to, through the last peace, our navy would never have been in that defective state, which the number of ships, so inadequate to the demand at the beginning of 1778, confirmed to all Europe.

By the end of 1779, or the beginning of 1780, eighty ships of the line, or upwards, were asserted to be in commission; but several of those ships have been found fitter for parade than real service.

In the summer of 1781, there were not quite ninety ships of the line in commission; with about twenty-five from fifty to forty-four guns, and rather more than eighty from thirty-eight to twenty-eight guns. The ships in ordinary, repairing, and waiting to be repaired, or rebuilt, consisted of about twenty-nine or thirty of the line, and ten or eleven frigates of twenty-eight guns and upwards.

There have been taken or destroyed, since 1775, † eight ships of the line, two of

† Lost, or destroyed :

		<i>Guns.</i>
3	Ships of	— 74
5	— of	— 64
2	— of	— 50
4	— of	— 44
12	— of	— 32
12	— of	— 28

M 3'

fifty

fifty guns, and twenty-eight frigates, from forty-four to twenty-eight guns. Of those of the line, one* only had been lost between April 1780, and the summer of 1781. Nevertheless, though eight line of battle ships were launched between March 1780, and the middle of 1781, and one or two have been taken from the Dutch, we had not above four or five line of battle ships more, the middle of 1781, than were in commission the end of 1779, a year and a half before. Whilst the Princess Amelia, the Terrible, the Buffalo, and others, almost as defective, have been reckoned into the ~~ships~~ ships of the line, asserted from time to time to be in commission.

Can any circumstances more strongly point out the neglect, or uncommon decay, of our navy, during the last twelve or fourteen years? And it must be evident, from the ill-conditioned hulls sent into service, that government have all along been more in want of ships than men; for otherwise, those fit for service must have been more in number: and necessity only could send such ships as the Princess Amelia, Terrible, and Buffalo into action: The Princess Amelia and Buffalo have served to impress a very false idea of our strength; furnishing the States of Holland with a plea to boast, that their squadron had been opposed by ships of greater force than

* The Culloden, of 74 guns.

they really were ; as those two, from their decayed condition, had not the weight of metal ships of their dimensions usually carry.

The fact is, that after all our exertions for these two or three years past, since the war broke out with France (and I do allow they have been great) the ships of the line fit for real service are scarcely equal, at this day, to the number of ships of the line that were in actual service at the close of the last war *. However, by having shewn what this nation can do, in the public and private dock-yards, upon proper exertions ; those circumstances corroborate, in the strongest degree, the neglect of our navy for several years back.

From the beginning of 1766 to the end of 1777, being twelve years of peace in Europe, fifty-five ships of the line underwent some repairs ; and forty-two were built, from fifty guns and upwards. From the beginning of 1778, when France openly declared her hostile designs, to the middle of 1781, being three years and a half, four or five and twenty ships, from fifty guns and upwards, have been built ; amounting, in the fifteen years and a half, to sixty-seven new ships of the line, including eleven or twelve of fifty guns. And within the above periods were also built about fifty or sixty ships and large frigates, from forty-four to twenty-eight guns.

* Though five ships of the line have been taken from the Spaniards, as well as one or two from the Dutch.

Sixty-seven ships of the line,
including fifty guns, cost
about — £. 2,000,000

Fifty-six ships or frigates,
from forty-four to twenty-
eight guns, about — 700,000

The repairs of seventy ships
of the line, at £. 19 or
£. 20,000 a ship, or about
two-thirds of their cost,
come only to — 1,360,000

Remaining
£. 4,060,000
2,540,000
£. 6,600,000

Granted for building
and repairing ships
and docks, from
1766 to 1777, in-
clusive — £. 4,164,000

From 1778 to 1781,
inclusive, — 2,436,000

£. 6,600,000

The building and repairs of these ships can hardly be set at more than four millions; whilst the sums granted in those sixteen years, for building and repairing ships of war and docks, came to six millions six hundred thousand pounds.

As 67 ships, of 50 guns and upwards, have been built since the beginning of 1766, it is scarcely possible for 70 ships of the line to have undergone repairs any thing near equal to two-thirds of their original cost, and our navy be, at this day, neither more numerous, or in better, if so good condition, as at the close of the last war. If such stout repairs had taken place, we ought to have had 140 sail, of 50 guns and upwards; and no crazy ships among them: therefore I apprehend it will be difficult to account, under the head of buildings and repairs, for so much even as four millions.

In the description of the ships, some little errors of time, or rates, or numbers, may be found; but none of consequence enough to affect the leading arguments here maintained.

The grants in the naval department, for building and repairs of ships and docks, have been considered by parliament as confined so specifically to those uses†, that even the pay of the established officers of the several dock-yards, has been always provided for,

† Therefore, the burning of cordage and sails cannot affect the money, I apprehend, appropriated for the hulls of the ships.

under the head of ordinary; which likewise includes other expences incurred in and about the dock-yards, as the extracts of some of the articles under that head will shew; such as the establishments for the yards, the wages and provisions for officers and men serving on board the ships in ordinary, the charge for harbour moorings and rigging, and for the common repairs of his Majesty's ships in ordinary. These several articles of expence, in the last peace, were not less than two hundred and thirty thousand pounds* a year: and the annual amount of the ordinary of the navy, during the twelve years of peace from 1764 to 1775, came, on the average, to four hundred and twelve thousand pounds†.

* Under the head of ordinary, are the following charges for 1776:

To the six dock-yards,	—	—	£. 24,598
Wages for ships and vessels in ordinary,	—		42,529
Viſtuals to officers and men serving in ordinary,			18,815
For harbour moorings and rigging,	—		40,450
Ordinary repairs for his Majesty's ships in ordinary,	—	—	113,442
			<u>£. 239,834</u>

† Total amount of the ordinary of the navy,			
for twelve years, from 1764 to 1775,			£. 4,944,000
Average for each year,	—	£. 412,000	—
Total of the ordinary of the navy for six years, from 1750 to 1755,	—	—	£. 1,700,000
Average for each year,	—	£. 283,000	<u>—</u>
Excess		<u>£. 129,000.</u>	

Yet,

Yet, during the six years of peace, from 1750 to 1755, the ordinary of the navy came to no more than two hundred and eighty-three thousand pounds a year, on the average; which makes an excess of one hundred and twenty-nine thousand pounds a year, during the last peace.—And yet our navy appears to have been in a worse condition, in all respects, at the commencement of the present, than of the former war.

The records of Parliament inform us, that in six years of peace, from 1750 to 1755, the money granted to build and repair ships of war came to no more than six hundred and forty thousand pounds, or one hundred and seven thousand pounds a year; which were found sufficient to preserve the ships in such good condition, that, from the breaking out of the war in 1756, to the end of it in 1763, no more than one million five hundred thousand pounds were required of Parliament for building and repairing ships, during those years of active service; this was not quite two hundred thousand pounds a year; yet sufficient to leave eleven ships of the line upon the stocks *; and amounted,

* Grants from 1750 to 1755, for building and repairing ships and docks, being six years,	—	—	£. 640,000
Grants in the eight years from 1756 to 1763,	—	—	1,508,000

£. 2,148,000

Equal to £. 153,000, on the average, for each year.

for the fourteen years from 1750 to 1763, to no more, on the average, than one hundred and fifty-three thousand pounds for each year.

Whilſt, from 1766 to 1781, being twelve years of peace, and four of war in Europe, the money granted for building and repairing ſhips and docks, came to fix millions fix hundred thouſand pounds, or four hundred and twelve thouſand pounds a year; ſufficient to have built one hundred and fifty ſhips of the line, and one hundred and twenty, or more, ſtout frigates; and left a larger ſum than could be wanted to make any neceſſary alterations or additions to the docks, to receive, and repair them in.

When ſuch extenſive grants come to be contraſted with thoſe in the fourteen years from 1750 to 1763, it muſt ſtrike us with aſtoniſhment, to know our fleet had been ſo defective, and unequal to its ſtrength and condition at the cloſe of the laſt, when the preſent war broke out in Europe.

Theſe ſtatements are ſufficient to raiſe doubts and ſuſpicions, as to the appropriation of the money granted for the ſole purpoſe of building and repairing the hulls of the men of war. But thoſe doubts have been increaſed by the pains taken to ward off all inquiry into the naval expenditure, at leaſt to any effectual explanation.

In short, during the last parliament, all attempts to obtain a satisfactory account of the disposal of the money granted to keep our navy in good repair, were eluded. Even the motion made for examining the surveyor of the navy, as to the condition of the ships, was rejected.

Such conduct, from whatever motives it may proceed, joined to the enormous sums that have been granted to build and repair the ships of war, will naturally lead men to suspect the money had been applied to uses foreign to those for which it had been given.

And, unless the money has been otherwise applied, it must be difficult to account for the weak state of the navy, when the war begun in Europe *.

If there has been no neglect or mismanagement; if the money has been constantly applied to build or repair the ships of war; and the distress arose from *a sudden unexampled decay of timbers*; from causes not to have been foreseen, or prevented; it would surely have been prudent and wise in ministers, for their own reputation, and the general satisfaction of the public, to have

* Besides the sums already enumerated, the navy debt, by the end of the fifth year of the war in America, and the third from the rupture with France, came to double the amount of that debt, at the end of the last war, or during any one year of it.

made those causes, and the application of the money, clearly appear ; which might easily have been done.

The recorded state of the ships, and the decay of timber, the surveyor of the navy must have been capable of proving ; and the office-books would certainly have shewn, without much time or trouble, the quantity brought each year into the respective dock-yards, of *timber, plank, iron, bolts, nails, pitch, turpentine, rosin, paint, oakum, and any other materials used in building or repairing the men of war ; the cost of these articles, and the annual amount of pay to working shipwrights, joiners, caulkers, painters, smiths, &c. ; with the cost of his Majesty's ships or vessels launched from merchant yards*, would have enabled parliament to judge, with sufficient accuracy, of the application of those grants.

No supplies can be voted for purposes of higher consequence to Great Britain, than those given to keep the hulls of our ships in a condition for service, whenever called for. The importance of this object must be evident to every man in the kingdom ; as money alone, without the assistance of much time, cannot replenish or provide the necessary supply, when the ships have been suffered to fall into decay. These certainly were the sentiments of the minister at the end of the last war ; for, in stating the estimates for 1765, he observed, *The peace establishment*

establishment for the navy was enlarged, being the most constitutional force, and best security for Great Britain; and therefore one hundred thousand pounds a year more than before were to be employed in ship-building, to keep the navy on a footing to be respected by all Europe.

This was so far from being the condition of the ships, at the end of thirteen or fourteen years, that they were found to be in such a weak state, as to be *despised by all Europe*. Yet the reflection of what has been done towards the increase of the navy since the war broke out, must add to our astonishment at the defective state the ships were in when that war began; and teach us to lament, lest those exertions may have come too late, which, if attended to in time, would have given us a decided superiority over the fleets of France and Spain, in whatever part of the world they might be collected.

Our navy is essentially necessary for the safety and protection of the empire; the security of our commerce depends entirely upon it. Therefore it was unpardonable not to be prepared for every event that might happen, from the deliberate rupture with our colonies.

If our naval force, at the commencement of the war in America, had been in the condition the liberal grants to support it, gave us every reason to expect; the full display of
that

that strength, in the beginning of the contest, had, in all probability, prevented any foreign powers from openly leaguings with our revolted colonies; and thereby stopped the breaking out of the war in Europe; which France and Spain were tempted to embark in, merely from the neglect of our navy. Spain, at least, would have ventured, on no other ground, to declare against us; for to this day, that power has formed no league with North America. And if France, from her restless and ambitious temper, had been imprudent enough to join the revolters against us, she must have yielded, early in the struggle, to our superior force at sea. A superiority easy to have been obtained, if we had been sufficiently prepared at the outset; though difficult now to recover.

A maritime state ought always to bear in mind the following truth; happy would it have been for us, if ministers and parliament had done so some years back:—That the nation who commands upon the ocean, will command the trade that passes through it. For without such a superiority at sea, neither our colonies, or other possessions in America or Asia, prostrate at our feet, yielding to unconditional submission, could secure us their exclusive trade. An advantage we long enjoyed, the source of all our strength, and opulence; and which can only make the colonies

colonies worth any great exertions to regain them.

From these circumstances, two very natural and important questions must arise in the breast of every man, who feels for his country, or the security of his property. Tell us then you our representatives, who surely know the causes, why the ships of the line, when the war broke out, were not more numerous; and why, of those put into commission, several were hardly fit for the slightest service, as experience has too fatally confirmed.

These are questions, that can in no degree tend to harass or retard the executive operations of the state: They are blended with no factious principles, and originate from no discontent. But are such, as the public have a right to call on the Commons to explain; finding that six millions and a half had, during sixteen years*, and only four of them active war at sea, proved scarcely adequate to preserve and renew the hulls of the same number of line of battle ships, which a little more than two millions one hundred thousand pounds had done during fourteen preceding years†; and seven of them the most extensive, and hottest naval war, this country had ever been engaged in.

* From 1766 to 1781.

† From 1750 to 1763.

The army has been a very heavy expence to the nation, ever since the rupture with our colonies; and that fatal idea was adopted, of carrying on a war by land at three thousand miles distant from the source of all supplies; whereby the expence incurred in the last six years, from our armies warring in America, will be found to exceed considerably the charge incurred for our armies in Germany, Canada, the Havannah, and elsewhere, in six years of the former war; as will appear from the following statements,

The number of regular troops, our own, and foreign, in British pay, from 1757 to 1762, inclusive, amounted to one hundred and forty-seven thousand men upon the average for each year. And their pay, cloathing, &c. with ordnance, extraordinaries, and all contingencies, paid after the peace, (the *Prussian subsidy excepted) came to thirty-nine millions three hundred and thirty thousand pounds; equal to forty-four pounds eleven shillings for each man a year.

* The Prussian subsidy, paid in the last war, came to two millions eight hundred and eighty thousand pounds; and may fairly be considered as equal to fifteen or twenty thousand regular troops, which should have been added to the one hundred and forty-seven thousand men, in case the subsidy had been carried to the thirty-nine millions.

The

The number of regular troops, our own, and foreign, in British pay, from 1776 to 1781, inclusive, amounted to 105,000 men upon the average for each year. And their pay, cloathing, &c. with the extraordinaries, and contingencies for array and ordnance, estimated to the end of 1781, come to forty-two millions four hundred and seventy thousand pounds; equal to sixty-seven pounds eight shillings for each man, a year.

The charge of the militia † for 1778,

came to — — — — — £. 486,000

And from 1779 to 1781, to — — — — — 2,256,000

Making together — — — — — £. 2,742,000

† The charge of the militia during the former war, came to one million seven hundred and fifty thousand pounds. And for the three last years of the present war, to two millions two hundred and fifty thousand pounds; during which time 40,000 men, or upwards, have been embodied in England and Scotland.

The transport service for the troops, and the victualling them on board, are not included in the comparison, for either war; because those heads of expence are carried into the extraordinaries of the navy.

The extraordinaries came, in the six years of the last war, for the navy, to between thirteen and fourteen millions; and for the army and ordnance, to about seventeen millions; making together thirty millions and a half*.

Whilst the extraordinaries, in the six years of the present war, will amount, by the end of 1781, for the navy, to nineteen millions; and for the army and ordnance, to twenty-one millions, at the lowest computation; making together forty † millions or

* The extraordinaries, from 1757 to 1762 inclusive, came, for navy services, and for transports for the army,			
to	-	-	£. 13,500,000
	For ordnance,	-	2,170,000
	For army,	-	14,800,000
			<hr/>
			£. 30,470,000
			<hr/>

† The extraordinaries from 1776 to 1781, inclusive, will amount, for navy services, and transports for the			
army, to	-	-	£. 19,000,000
	For ordnance,	-	3,700,000
	For army,	-	17,500,000
			<hr/>
			£. 40,200,000
			<hr/>
			upwards ;

upwards ; and exceeding the same heads of expence, in the last war, ten millions sterling, in the space of six years ; although no more seamen have been employed ; and fewer troops by forty thousand have been in pay ; during the present, than in the last war.

These statements are made in order to shew, how much the expences for the sea and land armaments have, in the present, exceeded their amount in the former war. At the same time, our ill-judged pursuits are very likely to lose the nation, those solid advantages, the wise exertions of the former war had won.

In the extraordinaries, are contained most of those agencies, contracts, jobs, and schemes, which this trans-atlantic war has given birth to.

What can be more inconsistent with the nature of mercantile transactions, or more contrary to the true interests of the people, than to have these contracts and engagements, at least the greatest part of them, settled by the lords of the treasury ? transactions, which neither they nor their secretaries can have time or knowledge to examine or conduct ; and which have too often been bestowed on members of Parliament, or others, whom that board might wish to favour or indulge ; regardless whether they are sufficiently acquainted with the assortments of goods they undertake to provide.

If

If the advantage of the public was the sole object; it might with reason be expected, these treasury contracts, as they are usually termed, would be adjusted by that office, whether navy, army, or ordnance, to which they immediately belonged; and granted, like those contracts made by the navy and victualling boards, to the lowest bidder*; who must, to afford it, be one of those persons, whose profession it is to make or provide the articles wanted. Therefore, it is very improvident to call in a middle man or agent, often unacquainted with the business he is to transact, and who must have a handsome profit on his contract, to induce him to accept it.

Our troops are as distinguished for discipline and valour, as those of any power in Europe; but our navy is in truth our bulwark. The insular situations of Great Britain and Ireland must furnish supplies of seamen, if properly encouraged, no kingdom in Europe can equal: and their harbours and docks, for safety and construction, excel those of every other potentate.

Masters on the ocean, we command its foreign traffic; and without the security of

* No injury could arise, as those contractors are required to give security, proportioned to the trust, or the amount of the engagement.

communication and passage, our distant colonies, and possessions must lose their value.

With such a navy at our command, at the commencement of the quarrel with our colonies, or even when the war began in Europe, as the grants during the last peace should have secured us, all might have been well at one half of the expence that has already been incurred ; which, if peace could not have been preserved in Europe, would have proved sufficient to have stripped France and Spain of their best islands and ports in the West Indies, had our navy been in a condition to exert its wonted strength.

The sole advantages Great Britain derived from the Americans were, from their consumption of our manufactures, and the returns made of their produce, consisting mostly of raw materials, or articles for re-exportation from hence ; and likewise from the employment furnished by these means for our merchant ships.

The advantages to America in future, as she increases in population, must depend on foreign commerce ; as her situation, and the production of her lands, equally invite her to trade : therefore, had we been masters at sea, without setting a foot upon the continent, America must have yielded to our commercial laws ; the only laws, had we been wise, we should ever have exercised with rigour. But folly and infatuation have
tempted

tempted us to waste our strength and treasure in carrying on a land war, where no impressions could be made, and where every circumstance was so hostile against us, that the provisions to subsist our army were to be carried, as well as the ammunition, three thousand miles by sea.

All the efforts on land have tended to weaken and impoverish Great Britain; and the large sums of money, necessarily sent after the army, have contributed to enrich our disaffected colonies.

Setting aside the justice of the war, the policy and wisdom of the measure cannot be defended. We shut our ears to their complaints, yet were unprepared to chastise them by land; and at the same time incapable of opposing our rivals in commerce on the ocean. Idly believing France would let slip the most favourable opportunity of attacking us, when at variance with our colonies; and our navy had been long neglected: a neglect of the most dangerous consequence, from the time that must always be required to recover it; which folly and inattention can hardly excuse; and might only have been expected from the hand of treachery. And, since we have got up our naval force in some degree, we have not known how to use it to advantage. Ill informed, it's to be feared, of the movements or strength of our enemies, we seem to have been

counteracted in every plan or measure we have attempted to carry into execution.

From jealousies at home, our ablest sea-officers, and some of our best generals, have been slighted or insulted, and drove into retirement, to preserve their reputation from the invidious attacks, raised from pique, resentment, or misconduct in others.

If any thing can divert the dangers that hang over us, and save this country from the destruction that threatens her commercial interests, it must be exertions at sea: and, so circumstanced, shall several of our bravest, and the most experienced of our admirals, be suffered to remain on shore! The servants of the Crown are bound, by every tie of duty to their country, to call them, at these perilous times, into service, and force them to explain the motives of their disgust. If their reasons were frivolous, and they should still persist in refusing to come forward, and exert their abilities and courage to preserve and steer us through the storm, they ought in that case to be struck off from the list of admirals, with every mark of contempt from their sovereign, and the execrations of their fellow-subjects. But if their complaints were well founded, and they had retired merely to preserve their reputations; seeing, at the same time, they were baffled, and too ill supported, to be able to exert their abi-

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lities

lities for the general good ; it might then be wise and prudent in the people, if their representatives refused to make application, to join in an humble address to their sovereign, praying his Majesty would graciously please to remove the obstacles to those gallant experienced sea officers serving, at this very critical and alarming juncture.

There is not a moment to lose ; a naval blow must be struck, or we are a ruined nation. It is not by land, but on the ocean, America is to be brought back, if that can now be done. As Canada, in the last war, was said to have been won in Germany ; so, in the present war, it may with equal reason be urged, that America is only to be regained at sea.

We seem not to have acted either with candour, generosity, or discretion, with respect to America, since the defection took place, for, in every attempt to treat with our revolted colonies, instead of advancing with fair and manly propositions, those who have been entrusted to negotiate, appear to have dissembled and intrigued too much, ever to acquire confidence.

Our troops have borne fatigue with great patience and perseverance, and exerted a wonderful degree of conduct and valour. But when disappointed, or frustrated, in their schemes, they have, on some occasions, in their predatory excursions, **I am afraid,**
debased

debased the character of the soldier by revenge, and stained their valour by useless acts of cruelty.

Information, with regard to America, has been industriously withheld from the public; whilst impressions of the weakness of the revolters, have misled us. And now, with all our dear-bought experience, we seem to be going on, to waste our strength upon the continent of America; which might, to far more advantage, be employed elsewhere.

When scarcely a match for France and Spain, we have hastily and impolitically, though I admit we had cause of resentment, declared war against the Dutch; treating them, at the same time, not as a nation we were going to war with in a fair and honourable manner, but as if they too were rebels, who had revolted from Great Britain.

After the depredations committed on the Dutch commerce, without any of that previous notice, which the interests of society have taught the civilized nations of Europe to adopt, before they proceed to hostilities, can we expect that such conduct will go unrevenged, should the powers combined against us bear us down? What we have as yet done against Holland, I am afraid, will not weaken her as an enemy in any material degree; being chiefly the

destruction of private property, to the injury of individuals, belonging to different nations ; and done in a manner the established rules of war condemn : rules no nation can be more concerned, and therefore ought to be more solicitous to maintain, than Great Britain. If Holland shall have it in her power ever to retaliate, can we suppose that she will fix bounds to her depredations, by confining them only to the extent of ours ? It is more than probable that, urged on by resentment and revenge, she would know no bounds. Therefore, whatever just grounds, in our own opinion, we might have for declaring war, it was hazardous, to the last degree, to do it, as we were situated : and to do it in the manner we did, an act of indiscretion we may ultimately repent, in all human probability ; because it furnishes pretexts for every other nation to exclaim against us ; and if we fall, we shall fall unpitied and despised.

C H A P. V.

C O N C L U S I O N.

THUS far, my countrymen, we have proceeded in our inquiry, carefully avoiding all speculative and conjectural points; drawing remarks merely from facts; and making the rise and fall of interest the only criterion to judge of the increase or decrease of national wealth.

The amount of the public income has been fairly stated, as well as the sources from whence it flows, and the charges of gathering it; with the expence incurred in issuing it from the treasury, and the appropriation of it afterwards; also the debts we are incumbered with, part left us by our ancestors to provide for, and part contracted by our own extravagant pursuits.

A candid examination has also been stated of the reports, in order to enable every fellow-subject to discover their tendency. But if our representatives do not proceed deeper into reform, than they seem at present inclined to go, the petitions of the people will be poorly gratified.

To work an effectual reform in the
finances,

finances, so as to produce any considerable savings, either in collecting or expending the revenue, the several complex duties and taxes should be simplified; all useless places, of whatever denomination, which exist at present, and such as shall become useless upon any real reform taking place, be abolished.

All fees and perquisites allowed, should be registered, and then converted to the augmentation of salaries in the respective departments, in proportion to the trust and attendance: and no persons should be placed at the head of offices they do not regularly attend, sufficient to transact the business. The fullest reward might then be given to those who conducted the official business; and very material savings made in office expences, for collecting and issuing the revenues, and controuling the expenditure; not, in all probability, to a less amount than five or six hundred thousand pounds a year, from salaries, fees, and perquisites, reckoning those fees never brought to any public account: and from the sale also of the Crown lands. Nothing would be found chimerical or disgraceful in such a reform, nor anywise inconsistent with *public dignity, justice, and gratitude*.

The various collections which constitute the national revenue, should lose all distinction, as to the particular branch or tax, when

when it reaches the exchequer ; for there the taxes might all consolidate, to be afterwards issued as from one general mass ; which, when collected, should be lodged at the bank, as the great deposit of cash for the nation. No interest could then be charged the public, so long as any part of the revenue remained with the bank. All distinction should likewise be destroyed, as to those specific duties and taxes hitherto appropriated for payment of the interest on particular loans, such interest to arise in future out of the general mass of revenue ; but to remain on the credit side of the national account, until the transfer books were ready to open for payment. At the same time, the bank should have every satisfaction they could desire ; advancing no further for the public than they do at present, which is as far as the collateral security, under the faith of Parliament, and their own circumstances, may induce them to go.

Such a regulation would make a considerable saving, both in the trouble and expence of arranging accounts, as well as in the interest paid for temporary loans, and the discounts allowed to the bank, for anticipating several branches of the revenue.

The chancellor of the exchequer, in 1764, boasted he had raised the supplies without loans or lotteries ; and consequently the spirit of gaming had not been encouraged, or the power

exercised of disposing of tickets, commissions, or subscriptions, not unpleasing, he observes, to ministers. The minister in 1781, considers loans in a different light; observing the then loan was indiscriminately taken, and any interest to be procured by such a loan, was a poor compensation for the fatigue and anxiety of the burthen; and that no business could be more disagreeable than settling the terms.

However, I should imagine loans might be made more open and impartial than they have been sometimes. And it would have been much more beneficial to the public, for the last loan, if it should ever be paid off, to have been raised by adding eighty or ninety thousand pounds a year, life-annuities, to the interest, instead of seventy-five per cent. to the capital; because, upon the annuity lives would be falling, and in a few years a reduction of interest might take place: both these circumstances, as they occurred, would produce a saving to the nation.

Loans should be open to all who can make their first deposit; in which case, four or five hundred thousand pounds would be found as satisfactory, as twice that sum distributed among a set of particular subscribers; for we may be assured, the monied men, taken indiscriminately, would be contented with a smaller advantage, than those selected few, who may be idle enough, perhaps, to

consider their portion of a subscription as a *douceur*, or a reward.

From the various circumstances which have been stated, relative to the finances, as well regarding the irregular aids, as the constant revenues, considerable savings and other advantages might undoubtedly accrue to the nation by a real reform. For let us remember, that whatever denomination the charges attendant on the *collecting, borrowing, issuing, expending, or auditing*, assume; whether *salary, incident, or pension*; whether *douceur, perquisite, or fee*; public or private; they are alike drained from the pocket of the subject: and if pressed too hard to-day, it will only render us less able to bear the burthen of to-morrow.

Much opposition would probably gather against any effectual reform, from the injury and disappointment that might be apprehended, and, without proper attention, would arise, to individuals. But in pursuing reform, Parliament would never lose sight, it is to be hoped, of private justice: in which case, no great difficulty could occur, in making every person, deprived of any legal emolument, full amends. The men of real business might be usefully employed in other departments, as vacancies arose; and, till that happened, have a fair and reasonable compensation.

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As to men who enjoyed great patent, or other places, or who held them in reversion, given them by their Sovereign, the rewards of past or present services; to dispossess such persons without their consent, or a fair and equitable compromise, would be an act of the highest national injustice. But such a breach of public faith will never be committed; as it may easily be avoided, by pensions adequate to the advantages which the offices produced; and which common justice must secure to those who enjoy them at present, or have a reversionary claim.

Men may be deserving of large pensions, and, whenever they are, a generous public will not be backward to give what the merit of national services entitles them to. At the same time, don't let large establishments, arising from offices founded on fees drained from the pockets of the subjects, be indiscriminately given, where no plea of merit can be found, and often to the least deserving, through court favour or indulgence, or to purchase private influence; whilst, in order to transact the business of the office, a deputy must be provided, whose salary or perquisites are equal to what the principal's ought to be, if, instead of a man of high rank, he was a man of real business and knowledge, and on a level with the office.

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Some general reform is acknowledged to be wanted in the system of our finances; to correct errors, abuses, and extravagance, crept into the collection and expenditure of public money, from a variety of circumstances, which time and various accidents have occasioned: no period can arrive, to make such reform more necessary, than the present alarming crisis; when dangers threaten from every side; when our commerce is going from us, and our expences increasing; as the levies of this year, amounting to twenty-nine millions, and the unfunded debt laying behind, sufficiently prove.

Sanguine, careless minds, who look but to the provision of the day; and interested ones, who wish to conceal the decline of our wealth, may both be led to say; Are not the surplusses of the taxes, after providing an interest for fifty millions of additional debt, as large at this time as they were in 1775, before the present war begun, or any part of the debt for this war had been contracted? a time when the nation was allowed to be in a most flourishing condition: And is not the sinking fund at this day equal to what it was then? Nay more, is it not double the amount of what that fund was five or six and twenty years ago? The facts are admitted as to the amount of the surplusses which create the sinking fund; but an examination into the

articles of taxation will shew, in characters so plain, who runs may read, that those resources are declining fast, which furnished the supplies necessary to replenish what from time to time became exhausted.

The land and malt taxes, with the sinking fund, make the whole of the annual revenue, that remains unappropriated, to answer the naval and military establishments; the rest being applied to the civil list, and the interest of the public debts.

The two first articles are generally the same; allowing for the rate of the land tax: And it is true, the sinking fund has kept increasing with the increase of the national consumption; but then the peace establishments, our rulers have taken care should increase also; for, prior to the last war, when the sinking fund was but one million and a half, the peace establishment did not amount to more than two millions three hundred and fifty thousand pounds a year, on an average of six years; whilst the establishment on the average, during the last twelve years of peace, came to three millions and a half a year—an increase that has not yet been accounted for; but which our representatives ought to explain, after the very ill-conditioned state of our ships of war, to meet our enemies, in 1778.

But to return to the subject of our finances.—The surplusses, which constitute the

the sinking fund, depend entirely on the national consumption, to make those taxes they arise from productive; and consumption must depend on the influx of wealth to supply it: without such supply it cannot long continue. That influx of wealth depends on our foreign commerce, and the vend of our manufactures; all which had increased with our possessions in Asia; and as the population and produce of our islands and colonies in America increased. Hence those streams of riches flowed, by which our numerous wants have been supplied. From such resources, our accumulating taxes, from time to time, have originated. These streams had gathered as they run, from the revolution, until the present fatal war begun.

The last glorious war had particularly in view the extension of our commerce; in which it succeeded, and laid a foundation for industry and policy to improve; that might have lasted for ages, had not a system been pursued, inimical, nay destructive in its nature and tendency, to the views of the merchant.

The customs, which prior to the last war did not produce more than three millions, or bring into the treasury more than one million and a half, clear of charges, had increased to five millions when the present war broke out; and brought net into the
treasury

treasury two millions and a half, and upwards. And the debentures, which are testimonies of the annual amount of the drawbacks paid in re-exporting of imported commodities, were increased, during the last peace, one million and upwards beyond their amount about the years 1749 and 1750. No stronger proofs can be brought to shew the increase of our commerce, and of course of the employment of our merchant ships.

The excise duties, which in 1754 did not reach three millions, in 1775 extended to near five millions: therefore it is evident, that the great increase of our export and import trade, furnished those resources which fed consumption, and kept our wealth from being exhausted.

The signs and marks of our increasing wealth, until this fatal contest with our colonies begun, were plainly to be traced in the increase of the customs, in the great rise of the rents of lands, which, in the space of forty or fifty years, had nearly doubled their amount; at the same time, also, the fee-simple of the lands was increased ten or fifteen years purchase beyond their former value. In short, the gradual fall of interest, from the time of Queen Anne's wars, the great extension of credit, and the easy terms on which discounts were to be obtained, until within these four or
five

five years, all go to denote the plenty of money that came into circulation, more than sufficient to answer the continued wants of credit. Advantages owing to our increasing export and import trade, the source of all our strength and grandeur, and which realized a considerable balance in our favour, at the end of every year: and by that means replenished the waste, and kept feeding the cruse as it exhausted. And similar balances might have continued for a long series of years to enrich us, but for our ill-judged policy; which is likely to remain a monument of our folly and disgrace to future ages.

Facts will support what has been asserted with respect to the extent and advantages of our commerce; and facts will also point out its decline. For in 1779, in the fourth year of our contest with our disaffected colonies, and the second year of the war with France, and the first with Spain, our exports were decreased five, and our imports four millions below their amount in 1773, and for some years back.—But our commerce deserves a separate investigation; which shall in a very short time be laid before the public.

The debentures, the great test of re-exportation, did not amount, in 1779 and 1780, to a million sterling; which, on an average of four years, from 1771 to 1774, exceeded

exceeded two millions one hundred thousand pounds. And many of our manufactures, and other articles, are consumed in America, to support the present war, which now contribute to swell the list of export goods, at the same time that they operate in their effect, directly contrary to the principles of export trade, by impoverishing instead of enriching the kingdom.

It ought to be considered, that there are also many of our manufactures, relating to the navy, army, and ordnance, bring no wealth into the kingdom, though they help to keep up industry and labour, and promote circulation; giving the outward appearances, without producing the national returns which flow from commerce. The millions annually expended in war, being profitable only to a few individuals who surround the treasury, such as agents, contractors, and others, whose gains arise out of the pockets of their fellow-subjects. This mode of employing our manufacturers can be no compensation for the loss of our foreign trade, both in Europe and America, which is going from us very fast; whilst we seem to behold the loss with much indifference; as if we either did not know its value, or were under no apprehensions of any part of it leaving us: at the same time that the most striking proofs are continually coming forward to convince us, For not only the debentures

tures are declined, but the receipt or annual balance into the treasury, from the customs, is lessened below the amount prior to this war; although additional duties, to full two hundred thousand pounds a year, have been laid on merchandize since the war broke out.

The high interest of money is another proof of our declining wealth; which has nearly reached the standard or level it was at early in the present century. High interest has ever been considered as a sign the money in circulation was inadequate to the demand; and as foreign commerce, and the vend of our manufactures, increased, the interest of money, upon examination, will be found to have fell: a proof that money grew more plenty in the kingdom. As money increased, the rents of lands became increased also; and were advanced in value from twenty to thirty years purchase, and upwards. So that, for several years prior to the present war, nay, during the last war, few landed estates yielded their possessors more than two and three quarters or three *per cent.* interest for their money. And mortgages on lands were attainable for four *per cent.* the outsize, under the best security. Whereas at present money is with the utmost difficulty to be procured at five *per cent.* on undeniable landed security; and numbers cannot supply their wants at that premium.

The value of land has fallen considerably: estates have been sold, in the last two or three years, as low as twenty years purchase, or rather under; and none higher than twenty-five years purchase. The complaints from farmers of their rents being too high, are become very prevalent in many counties; and the numbers failing on their farms, or growing greatly in arrears of rent, all tend to verify the assertions relative to the decay of wealth. Money was to be obtained in the last war, and only a few years back, on long bills, for four *per cent.* when good names were upon them. No long bills are now to be discounted, in general, for legal interest, however substantial the credit of the bills; And the government securities unfunded, and sure of being discharged in two years; are at an alarming discount, much greater than at any period of the last war. Credit too is in a tottering state, being greatly circumscribed, and alarmed at a shadow. These facts are too clear to admit a doubt; and are melancholy proofs of our decline, no sophistry can evade.

Such striking testimonies of approaching distress, as are here enumerated, it would not be in the power of art or management to affect the appearance of, by any combinations whatever, if that great source of wealth had remained undisturbed, the numerous streams of commerce, which the last glori-

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ous war secured, and years of succeeding peace had realized, in the opulence, power, and grandeur of our empire.

Our commerce, and the vend of our manufactures, through a series of years prior to the present war, had brought into Great Britain much more wealth than the annual waste consumed: this store in reserve, this national capital, if I may so term it, the happy effects of our act of navigation, and the increase of population and industry in our colonies and islands, must now be drawn forth into consumption; to make our taxes productive, and furnish those sums, from whence the demands of government are to be supported.

This last resource, our internal wealth, or national capital, may help us out for a short time, but must necessarily diminish, and soon be exhausted; unless some fresh supplies are found out to replenish the waste: and of course will leave us, under a declining trade, only the more impoverished in the end. The signs of that approaching period are too plain to be mistook.

If, therefore, our foreign commerce and navigation are not restored, our expences will by necessity contract: as they contract; our taxes will become less productive, and our revenues in consequence reduced. For the taxes from the land and excise, the inland duties and customs, all depend for their

production on industry, and the vend of our manufactures ; on merchandize, and the employment of our shipping : for, without this chain of circumstances to promote and feed excess and dissipation, our wants must soon remain unsatisfied ; and consumption decline, of course. Therefore, taxes collected on articles of consumption, cannot come in proof of the increase of wealth, but merely of the waste of it.

As necessity narrows our consumption, our present wonderful system of taxation will be circumscribed. The melancholy period, I fear, is not far off, when that system must contract ; the building totters ; nor can it furnish supplies much longer for the heavy expence of the war, and the debts we have not only incurred ourselves, but those also our ancestors left us to discharge. For though the fiat of power may create taxes, that power cannot make them productive, when the sources they are to arise from fail.

Therefore, if the same waste and extravagance shall be continued, as has prevailed for these three or four years past ; if the war shall be carried on at the same enormous expence, and our commerce, disregarded, be left further to decrease, and at last expire ; ruin must overtake us, beyond the efforts of the wise, the firm, and honest, to retrieve.

I speak not from conjecture : the proofs
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of our declining wealth are too striking to admit of any doubt: therefore, the approaching indications of our danger ought to ring the alarm, to warn us on our guard, and teach us to reflect seriously on our situation.

Natural causes led us to opulence, strength, and grandeur: causes as natural, but of a different tendency, will have a contrary effect. The facts which have been stated, clearly point out the sources from whence our ways and means have hitherto arose: those commercial streams dried up, the landholder will in great measure be obliged to support the public burthens; for many of those, whose fortunes lay in moveable wealth, would cast the burthen from themselves, to those whose property were fixed; and, collecting together at least a part of their effects, would, with those remains, seek shelter in some rising state, some less encumbered country.

The country gentlemen, the landholders of all descriptions, would do well to look around them, and to reflect on their situation, before it is too late; a situation far more alarming than many of them hitherto seem to have been aware of.

Whenever the day of distress arrives (and arrive it will soon, if we pursue the same system of conduct as we have done for a few years past) the country gentlemen will be
left,

left, under the reduced value of their lands, to support the accumulating burthens of our taxes, made light before by our extensive commerce ; but, deprived of that assistance, the landholders will remain, almost alone, to provide for the exigencies of government ; and to feed the national creditors from the produce of their lands ; at a time, when the price of labour has become increased from the weight of taxes, which will of course increase the expences on their estates, whilst the distresses of their country are driving them to the necessity of lowering their rents.

From the confidence the national creditors have been taught to place on Parliament, that faith and security, solemnly pledged to them, must not be destroyed, whatever opinions men may be led to throw out in private conversation. No such stab must be given to public credit : the most profligate dare not strike the blow, unless they were the most thoughtless ministers also : as, otherwise, they would be sensible of the danger of the attempt, and be restrained by fear for their own safety.

No state can make any great exertions, wherein the subjects have not full confidence and security in its protection of their property ; therefore public credit is essential to the safety and dignity of the state, and to the welfare of the people, in every country governed

governed by principles of wisdom and sound policy. For, *(to use the expression of the celebrated Mons. Neckar,)* the interest of a nation, if rightly understood, will always rest upon the basis of fidelity and justice.

Public credit is full as necessary for the support of government, as private credit is in the conducting of commerce: without credit, no extensive concerns in trade, either foreign or domestic, could be carried on. But credit cannot subsist without a sound bottom, a solid foundation of real wealth, or assets, somewhere existing within the kingdom, sufficient to answer the paper floating in circulation, upon the strength and security of that real wealth: which paper, though continually issuing forth, is constantly returning to be renewed or discharged; and thereby puts the existence of the real wealth within the kingdom to the test. As this is an intricate subject, and various opinions have been formed on it by the wisest and most respectable characters, I shall endeavour to explain myself more fully on the great question, Whether paper, the substitute for real wealth, can hold its credit and consequence in circulation, when that real wealth is materially reduced? —I think not, and will assign my reasons.

In the first place, I conceive that no paper, either public or private, can get into circulation, without the full value being
produced

produced for it ; for in that pernicious paper, wherein men lend their names without any real property exchanged, the issues of mere swindlers ; till somebody has had credulity to advance, or lend real money on the credit and security of that paper, it cannot get into circulation ; and whenever due, if not paid for by the person from whom the note originated, he, or his credit, must fail. And so it is with all the paper, nominal or real, whether payable on demand, or at more distant periods ; there must have been solid wealth to bring any of it into circulation ; and so there must be to discharge it afterwards ; otherwise, it will produce an immediate failure or discredit somewhere. Therefore, this private paper, which is all voluntary issues, must have real wealth subsisting to answer it, of which the paper is but the counterpart ; or that paper must soon blow up, and a total stop be put to its circulation.

The bank paper is by far more extensive than the private, but stands on much the same ground ; and could not long keep out in circulation, without a foundation of real wealth to support it, of which the paper is only the substitute.

From the ready exchange of bank notes at all times, it is evident, that sort of paper has obtained credit and confidence throughout the kingdom : but, as nobody would think

think of hoarding bank notes, therefore few or no notes will long remain out, that are not used in circulation; and none can exist in use, but as the substitute for real wealth, which had been given to draw them into circulation. For the bank neither lends on exchequer bills to the public, nor issues for the state, or private merchants, to the smallest amount, without interest and collateral security.

We will suppose, on these occasions, the bank supplies the state or individuals with their promissory notes; adding so much more paper to what was before out upon their credit; the treasury and the merchants send those notes immediately into circulation; they then become subdivided; part will return to the bank for real cash, to answer the various uses wherein small sums are wanted; and part will be kept for a while in circulation. But when the taxes are collected, or the loans raised, from whence the exchequer bills, or other debts contracted by government, are to be discharged; or when the merchant has been paid for the goods he had sold; in any or all of these cases, the returns are made to the bank, for their loans, more or less, in cash, or in their own notes, according to the circulation arising out of foreign commerce; that is, as the balances accruing in our favour from the export trade, shall extend, or contract.

It would be impossible to preserve in cir-
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culation,

ulation, to any useful purpose, that paper, the representative of wealth, when the substance, the real wealth, was done away. The promissory notes the bank sends forth, are not compulsory ; they will float about, in proportion to the increase or continuance of the substance, they were originally issued to represent. And as the amount of the substance decreases, the notes will contract, and return into the bank. As our wealth is drained from us, those signs will die away. There is no management or intrigue, united to power, that could force paper into circulation, and keep it at its natural value, unless it could be changed, on demand, for the sum in gold or silver, for which it is the sign ; and then it is in every respect equal to the payment in coin.

The gold and silver will inevitably waste, and be carried out of the kingdom, as the balance on trade turns against us : but at the same time, as the substance diminishes, the shadows will contract in proportion.

If the paper, after acquiring confidence with the public, stood firm without the support of that real wealth it merely represents, and whereon its intrinsic value has been usually considered to depend ; from whence arises the present apparent scarcity of money, and the high interest it bears, comparatively, with the interest a few years back ? This could not be the case, if the

paper could remain to an equal amount in circulation, when the gold and silver was draining away ; for it would be only coining more paper, as the real wealth wasted, and all must be well again ; and the kingdom in the same flourishing state as when the real wealth remained among us.

If this argument was well founded, America would have been under no distress for money, since her defection from the parent country. But it is not within the authority of congress, or any firmer legislative power, to make paper a legal tender, send it into circulation, stamp whatever value they think proper on it, and preserve it there from any depreciation ; the reason is, the mere act of making it a legal tender, cannot give confidence to it : confidence, which only can strengthen credit, and promote the circulation of paper, is the effect of time and punctuality : paper must be insured at all times its real value ; which depends on the certain and speedy means of exchanging it for the amount in gold or silver that had been stamped on it by authority : the tenders too, instead of being legal, and compulsive, must be voluntary and free to accept or not ; no other method can give currency to paper, and secure it from depreciation.

If paper cannot be readily exchanged for the money it is certified to answer, it must sink in value ; the paper itself being of no
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worth,

worth, but according to the gold or silver to be obtained for it. It can carry no intrinsic value to a foreign market; and when received in payment, it is no more than giving the security of the state, or the bank, for that of an individual; and whatever faith may be placed in the ultimate discharge, it will assuredly depreciate in proportion to the distance of time, and the uncertainty of payment.

What I mean to infer from hence is, that it is impossible for paper to be kept out in circulation, that is payable on demand, and its credit supported, any longer than there is wealth remaining in the kingdom to answer it. Therefore, as our real wealth shall waste, or be drained out of the kingdom, the paper will gradually revert back to its source and become annihilated: for, as the bank, to answer claims, called in its debts, those debts would, many of them at least, be discharged with its own paper.

It would be impracticable to define the amount of the real wealth circulating in these kingdoms, and of course the extent of its substitute, the credit that wealth sends forth, to conduct the amazing exchange or barter carried on through our manufactures and our commerce; the variety of circumstances they depend on, the labyrinth in which they are involved, are not to be explored. The attempt, I think,
would

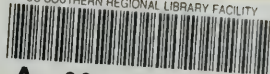
would be improper ; because, if mistaken, the errors only serve to furnish ground for disputants to contend ; and for all those who brought us to our present situation, to laugh at our fears and apprehensions of approaching ruin ; by which means the temperate and ill-informed part of the community, and the country gentlemen living at a distance from the capital, are lulled into security, and led to believe the evil at least is far off ; as the writer of the “ Letters to a young Nobleman ” peremptorily asserts. However, if that writer is no better informed of the wealth and resources at home, than he seems to be of the supplies that Asia can afford us, there is but little reliance to be placed in his assertions.

Though I do not pretend to ascertain the amount of our existing wealth within the kingdom ; or the extent of our resources without it ; nor the period of our grandeur ; sure I am, the race we are now running, and which the author of those Letters urges us to run on, will, without greater and abler exertions at sea, and more œconomy in our operations by land, bring us much sooner to distress, if not to ruin, than he seems to apprehend.

It will lead us speedily into that situation, wherein our system of taxation must inevitably decline ; and, ceasing to be productive in any degree equal to its present amount, will revert back to the same contracted

contracted state its different produces yielded about fifty or sixty years ago; at the same time leaving the necessaries of life much dearer, and the nation encumbered with an enormous debt, which it will be dangerous to annihilate, and difficult either to provide for, or discharge, without the assistance of an extensive *foreign commerce*, equal in value to what the last war had so wisely and providently secured to us.

F I N I S.



IN order of the pre-
sent w

The sur- ne charges of col-
lection, th- stitute the sinking
fund; wh- tional income that
remains to their amount must
be procure

The sinking & the
given, in years,

1757, for 1,78,	has	
1758, 1,900	duce	£.
1759, 2,43	—	14,340,000
1760, 2,60		
1761, 1,76	781,	
1762, 1,00	—	2,900,000

e fix	
000 a	
—	15,360,000

ved of	
years,	44,000,000
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ng the	
n esti-	

—	30,000,000
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£.	106,600,000
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e paid	
of the	

—	9,000,000
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Hence ne number of years,
sixteen m d twenty-four mil-
lions, tha

IN order to prove, beyond the possibility of doubt or contradiction, the enormous expence of the present war, the following comparative statements have been drawn.

The surplusses arising from the different branches of the perpetual revenue, after the charges of collection, the interest of the public debts, and the civil list, are all provided for, constitute the sinking fund; which, with the land and malt taxes, voted annually, make the whole of the national income that remains to answer the naval and military establishments from year to year; all beyond their amount must be procured from loans, or extraordinary supplies.

The sinking fund was given, in

\pounds .		
1757, for 1,786,000	{	Thus the sinking fund, in the six years of the last war, furnished towards the exigencies of government, — — \pounds . 11,496,000
1758, 1,906,000		
1759, 2,430,000		
1760, 2,603,000		
1761, 1,762,000		
1762, 1,009,000		
<hr/>		
The land and malt, set at about \pounds . 2,560,000 a year, for the six years came to — — 15,360,000		
Money actually borrowed in the six years, of the public, — 64,000,000		
<hr/>		
\pounds . 90,856,000		
<hr/>		
Nominal capital added to some of the loans, to be paid only on redemption of the debts, — 1,230,000		
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The sinking fund, on the average of the five years, from 1776 to 1780, has been said to produce \pounds . 2,868,000 a year, — 14,340,000		
<hr/>		
The sinking fund for 1781, set at — — 2,900,000		
<hr/>		
Land and malt for the six years, at \pounds . 2,560,000 a year, — — 15,360,000		
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Money actually borrowed of the public in the six years, 44,000,000		
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The unprovided debt, that will probably be owing the end of 1781, has been estimated at — — 30,000,000		
<hr/>		
\pounds . 106,600,000		
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Nominal capital to be paid on the redemption of the debt, — — 9,000,000		
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Hence the present war will, by the end of 1781, have cost the nation, in the same number of years, sixteen millions more than the last war, without reckoning the nominal capital; and twenty-four millions, that included.

